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GUEST EDITORS' INTRODUCTION GROWTH AND GLOBALIZATION: EVOLUTION OF HUMAN RESOURCE MANAGEMENT PRACTICES IN ASIA

**ARTHUR YEUNG, MALCOLM WARNER, AND
CHRIS ROWLEY**

In this introductory note, we offer an overview of how human resource management in Asian countries and corporations is evolving in the face of rapid business growth and integration into the global economy and we describe how the articles in this Special Issue contribute to new knowledge and insights regarding key issues, challenges, and evolution in the field of HRM in Asia. Driven by the combined forces of rapid gross domestic product growth in many Asian economies and their further integration into the global business arena, firms in Asia are in constant flux, no matter whether they are developed economies like Japan, Korea, and Taiwan; developing economies like Malaysia and Thailand; or transitional economies like China and Vietnam. How will HRM systems in these countries evolve and transform under the combined forces of growth and globalization? We argue that HRM systems in these Asian firms most likely will evolve toward "bounded convergence." The demands and expectations of the HR function to take on strategic roles (versus administrative roles) and address critical HR issues like attracting and retaining key talent, building talent pipelines, and creating high-performing cultures are greater than ever. We conclude with a high-level summary of the key contribution of the eight articles covered in this Special Issue. © 2008 Wiley Periodicals, Inc.

Introduction

As many Asian economies' expectations continue to be surpassed (with a recent gross domestic product growth rate as high as 11 percent in China for example) vis á vis an otherwise darkening outlook for the world economy (see "Economic and Financial In-

dicators," 2007), they present opportunities for firms around the world both to capture these high-growth markets and to accelerate the migration of their higher value-added business activities (like research and development, in addition to procurement, manufacturing, and sales) to some Asian countries where costs of labor are low but supply abundant. Since 1980, the world's supply of

Correspondence to: Arthur Yeung, Associate Dean, China Europe International Business School, 699 Hongfeng Road, Pudong, Shanghai 201206 P.R.C., Phone: 86-21-28905636, E-mail: ayeung@ceibs.edu.

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labor has effectively quadrupled (International Monetary Fund [IMF], 2007). The effect of this growth has been dramatic for the global economy and it has produced a flow of low-cost manufactured goods that has contained inflation in the advanced economies, other things being equal.

Of course, not all Asian countries follow this trajectory. Some, such as Japan and South Korea, face different demographic and labor market challenges from others, such as China and Vietnam (Rowley, 2007). Also, in the decade since the 1997 Asian Crisis, Northeast

Asia remains different from Southeast Asia in the performance of various dimensions of employment and the labor market, including unemployment and productivity (Rowley, 2007). Meanwhile, many national champions from Asian economies are rising up to be aggressive global players, as witnessed by recent high-profile merger and acquisition activities undertaken by firms like CNOOC, Lenovo, or Haier, to name but a few. China has to date produced few "world-class brands," but this may be changing. In the midst of

such rapid growth and globalization, the impact and implications on human resource management for firms operating in the region at the ground level appears to be both pressing and pervasive. Indeed, the macro- and the micro-levels of analysis are intrinsically linked. The growth and globalization of firms in Asia and the evolution of HRM in the region are two faces of the same phenomenon.

One of us recently had an opportunity to interview more than 20 CEOs of leading multinational corporations (MNCs) in China, asking them one simple question: "What are the most critical issues that affect the success of your company in the PRC?" While some respondents mentioned relationships with headquarters, business model innovation, branding, supply-chain management, and so on, talent was by far the most consistently and frequently cited factor that would critically affect their aggressive business aspirations. As companies in many emerging economies have

been growing at a rate of 20–50 percent in sales volume every year, the ability to attract, retain, develop, and engage high-caliber talent to support their business growth while simultaneously deepening their competitive edges in innovation, services, or quality presents one of the greatest business challenges not only for MNCs, but also for local privately owned and state-owned firms.

How do HRM systems in Asian countries evolve as these economies experience such (perhaps unprecedented) rapid growth and global integration? What challenges, issues, and opportunities are Asian firms facing in order to better utilize human resources for sustained business growth and competitiveness? These two key questions about HRM in Asia, both at the country and corporate levels, are the focus of this Special Issue. By having researchers and scholars share their latest research and thinking in this vital part of the world, this Special Issue can update our understanding of the current state of HRM practices in Asia and highlight key trends and issues that both practitioners and scholars must focus on as they strive to increase their impact in the region. In this introductory piece, we will first provide our overview and perspective on how HRM in Asian countries and corporations will most likely evolve in the region and then briefly introduce how different articles in this Special Issue contribute to our understanding of these HR issues and challenges in Asia.

Impact of Growth and Globalization on HRM in Asia

Evolution of HRM in Asian Countries: Converging, Diverging, or Hybrid?

As we examine how HRM systems evolve in Asian countries, it is important to understand their current situation before we predict how they may change in the future. Hence, we begin with a conceptual framework that classifies Asian countries based on their political, economic, and cultural similarities and then discuss what may happen to

The growth and globalization of firms in Asia and the evolution of HRM in the region are two faces of the same phenomenon.

HRM systems in these countries in face of the powerful forces of growth and globalization. As Asia spans huge geographical territories, we restrict our discussion to East Asia and Southeast Asia, since South Asia is a sub-continent in itself and other Asia Pacific countries like Australia and New Zealand bear more similarities to other Anglo-Saxon countries than their Asian neighbors.

While we try to understand HRM systems in Asian countries, it is important to acknowledge that their systems are not all unique to the Asian region and many represent modifications of those found in North America or Europe. As a matter of fact, many HR practices were imported from the West through American or European MNCs, Western business media, and Western business schools and then diffused to local firms. Such diffusion, or *isomorphism*, occurs because organizations, especially large-sized firms, have a strong tendency (or are under strong pressure) to copy more progressive management practices from organizations that operate under a similar set of environmental conditions and institutional constraints (DiMaggio & Powell, 1983). As firms in Asia become bigger and more global in business operations, they are more receptive to learning (or copying) international HRM practices from the Western or Japanese MNCs frequently studied in the HR profession, or to receiving pressure from foreign partners or parent firms to adopt more systematic or progressive practices in their people management (Bjorkman & Lu, 2001). However, idiosyncrasies do persist due to different stages of economic development, variations in political systems, and cultural differences in Asian countries.

Within East and Southeast Asia, we find several relatively *distinct* clusters of national systems. If we look at chronological developments, we observe that some systems, such as the Japanese system, evolved prior to others in the region. If we examine the political ideology of these countries, some adopt capitalism while others adopt socialism. Building on our analyses in an earlier contribution (Zhu, Rowley, & Warner, 2007), we divide these countries' systems into three groups. The first one concerns *developed* economies

such as Japan, South Korea, and Taiwan. The second includes *developing* countries such as Malaysia and Thailand. The third group covers *transitional* economies such as China and Vietnam. We treat as outside these categories the city-states of Hong Kong and Singapore.

The logic for these groupings may be ascribed to the earlier "flying geese" debate, which looked at the economic development of these countries chronologically and placed them in a time line, starting with the earliest and moving through to the most recent (Dore, 1987). The sequence started with Japan as the earliest example and moved through to the later so-called "Little Dragon/Tiger" economies. The difference between the *developed* and *developing* countries seems to take into account mainly the dates of "takeoff," but also includes key variables they share in terms of the role of the state in guiding their path of development. While many of these countries adopted an openly capitalist regime, a common thread they shared with those in the *transitional* category was the crucial leverage of the "developmental state" (Amsden, 1989; Johnson, 1982; Vogel, 1991; Wade, 1990). However, it should be acknowledged that the role of the state was more prominent in the third category of economies, since they used the "command economy" model (Warner, Edwards, Polansky, Pucko, & Zhu, 2005). In the face of economic expansion and integration into the global economy, rapid changes in each category mean that the role of the developmental state increasingly is subordinate to market forces and relies on the relentless expansion and competitiveness of firms in their countries. If present trends toward globalization persist, the market will continue to expand its influence; if not and a world recession bites, economic recession in these countries may put back into favor the stronger role of the state. With the banking

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crises of 2007, the “real” economy has not yet been smitten, and globalization rolls on. But it is too early as of yet to definitively say where things will lead.

Overlaying these categories, we find a number of key trends relating to *universalism* and *globalization* (Rowley & Benson, 2004; Warner, 2002). To begin with, foreign investment has occurred in all of them—not only in the developed and developing economies, but also in the transitional ones. China has been a particular beneficiary of inward investment; with this money comes an influx

The diffusion process has been clearly under way for some time not only in developed and developing groups of country systems in Asia, but also in the transitional ones.

of foreign-owned firms and their ways of managing the assets and people (Yeung, 2006). This influx occurs through a diffusion process by which new management practices spread to local firms, both large and small. In larger organizations, many of which are state-owned enterprises, we find the implantation of HRM practices not previously seen, as these enterprises are restructured to be more market- and business-driven rather than policy-driven. “Human resource management” as a generic term has become *de rigueur*. However, while many HR functions have changed the names of their departments from personnel to HR, it takes time to truly transform these departments

from old-style personnel and administrative works to business-driven and strategic-oriented HR activities. A lag in practice still exists in reality (Zhu & Warner, 2004). This phenomenon may, however, be seen as a “movable feast” as the evolution of management practices in China appears to be in almost continual flux, as often seems to be the case in the rest of East Asia. The diffusion process has been clearly under way for some time not only in *developed* and *developing* groups of country systems in Asia, but also in the *transitional* ones.

No doubt, the importance of national cultures and values (like Confucianism, Buddhism, Islam, and Christianity) remains extremely important. Despite commonly expe-

rienced waves of modernization that have engulfed these economies since the mid-nineteenth century, each remains a recognizable national entity. But since development came in such waves, we can group their national business systems and HRM modes in different categories. For example, there is a noticeable degree of overlap in many of these countries’ national systems so that we can compare Japan with South Korea on the one hand and China and Taiwan on the other. Indeed, we can envisage intersections in a *Venn diagram* where all three categories of country systems might overlap (see Figure 1). Here, there are HRM characteristics that overlap among the respective *developed*, *developing*, and *transitional* economies in Asia (Zhu et al., 2007). Based on such conceptualization, it is important to examine in future research: (1) what are the unique characteristics that distinguish each category of national systems; (2) whether the overlap is increasing over time; and (3) how such overlap is similar or different from HRM systems prevalent in North American and European models.

The key debate regarding the evolution of HRM in Asia is whether HRM systems in these three categories of countries will converge, diverge, or move toward a “hybrid” Asian model in the face of growth and globalization. Many writers argue that globalization and growth in organizational complexity are driving these national HRM systems to become more isomorphic (resemble each other). Others place greater emphasis on divergences, or national differences, such as in China, for example, referring to HRM “with Chinese characteristics” (see Zhu & Warner, 2004). There is, of course, a “middle way,” in that one can show how globalization produces similarities but at the same time, distinctive national characteristics persist in the systems. We may call this “bounded” or “soft” convergence (Warner, 2002), and we believe this is the most likely scenario to evolve over time. Our suggestion for future HR research and practices is to delineate HR philosophies or practices that are more receptive to the forces of global convergence (for example, those “hard” tools like HR information systems, pay-for-performance compensation, design of training programs,

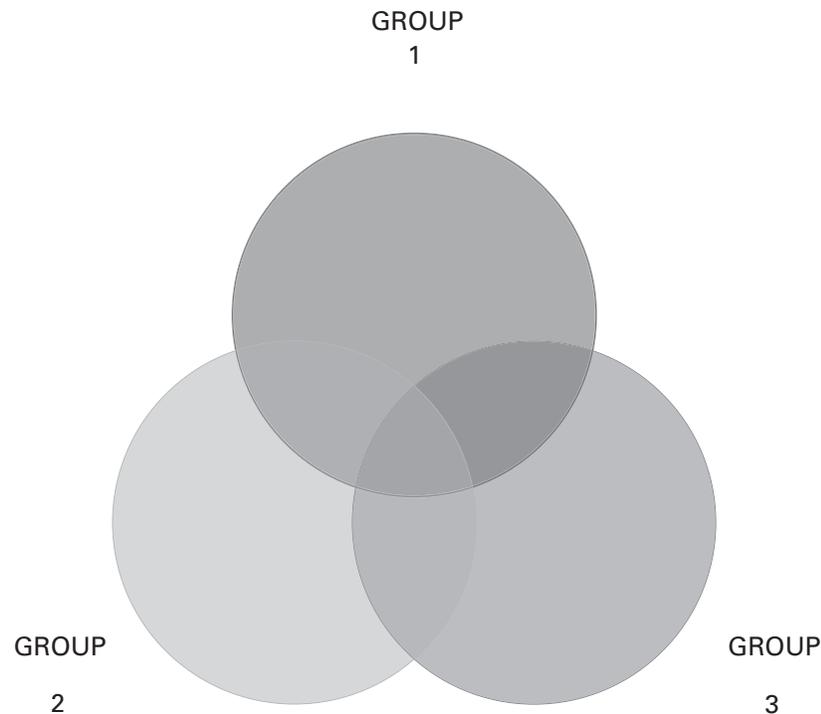


FIGURE 1. Overlapping Characteristics of HRM Systems Among Developed, Developing, and Transitional Economies

and selection tools) from those that are more sensitive to national differences and cultures (for example, those “soft” tools like performance management, coaching and mentoring, and people management styles).

Evolution of HR Focus in Asian Firms: Strategic or Operational

One of the major paradigm shifts in HRM research and literatures in the last two decades is the emerging interest of strategic HRM and high-performing HRM systems when people (versus other resources like capital and technology) are increasingly recognized as a source of business competitiveness (Martin & Moldoveanu, 2003; Ulrich, 1997) and when numerous studies have demonstrated the relationship between HR practices and business performance (Bennett & Bell, 2004; Huselid, 1995; Wright, Gardner, & Moynihan, 2003). To add value to business competitiveness, it has been argued that HR functions need to realign their resources and activities for higher value-added contribu-

tion (Ulrich, 1997; Yeung & Brockbank, 1995; Yeung, Brockbank, & Ulrich, 1994). HR practices also must be designed to meet not only short-term operational pressures, but also long-term strategic needs (Ulrich & Brockbank, 2005; Ulrich, Brockbank, & Yeung, 1990). Finally, HR professionals must be more results-oriented and well-balanced to assume the roles of business partners (Ulrich, Brockbank, Yeung, & Lake, 1995; Yeung, Woolcock, & Sullivan, 1996). As firms in Asia are undergoing rapid growth and undertaking aggressive global aspirations (Yeung, 2004), we believe that the expectations of HR functions to take a more strategic and proactive role are greater than ever.

The challenges of talent management are particularly severe in developing and transitional economies, where demand for high-caliber talent far exceeds supply due to both rapid economic growth and limited talent inventory in place. China is a critical case in point *vis á vis* this challenge (Goodall, Warner, & Lang, 2004). A recent McKinsey study estimates that in the next 10–15 years, China will

need approximately 75,000 globally competent managers to meet its business requirements (Farrell & Grant, 2005). Yet, the reality is that China currently only has about 3,000 to 5,000 such high-caliber managers. The study also points out that due to the disconnection between the Chinese educational system and corporate talent requirements, only one out of ten university graduates in China is prepared to work for MNCs with the required language skills, computer skills, etc. The war for talent clearly is “white-hot” as both MNCs and local firms compete for a very

limited talent pool in those countries. We predict that such a talent shortage will not be solved in the next decade due to the lack of equilibrium between talent demand and supply.

In addition to the shortage in talent with the required skills, knowledge, and experience, corporations in Asia face the additional challenges of changing employee mind-sets and mentality to be more performance-driven (rather than egalitarian-oriented), customer-focused (rather than following rules), and to cultivate a stronger sense of integrity (rather than taking advantage of gray areas or unethical behaviors for short-term gains). The legacy

of traditional politico-economic systems, especially in economies transitioning from planned economy to market economy, is that employees are used to working in environments where enterprises are supposed to take care of employees no matter whether good or bad, where employees are socialized to play safe and comply with rules, and where getting things done through “informal” channels (or back doors) and “special” relationships such as *guanxi* are accepted norms to compete for scarce resources and opportunities. Clearly, such norms and behaviors can prove to be counterproductive to business imperatives to build the transparent, performance-driven, and customer-oriented culture that is increasingly critical for success in a global business environment. As

a matter of fact, the challenges of instilling the proper mind-set and behaviors consistent with global business standards and codes of conduct are not only difficult for local employees in many transitional economies, but also for international expatriates who are pressured to deliver business results in those markets. Recent news reports in China regarding the bribery behaviors of some senior executives in MNCs like Lucent, Siemens, Carrefour, and others testify to the seriousness of such problems.

As firms in Asia continue to grow in both size and complexity, we believe that critical HR issues like attracting and retaining key talent, developing a talent pipeline, and creating a high-performing culture cannot be ignored and must eventually capture the attention of senior business leaders by choice or by crisis. HR professionals have no choice but to transform HR activities from administrative and operational orientations to business and strategic focus, or face the risks of being replaced or outsourced. The drive and desire to upgrade the HR function and professionalism can be easily felt in China nowadays. When conducting workshops for senior executives in China, it is almost certain that some CEOs will come to us during breaks, asking for assistance either to identify more qualified HR leaders for their firms or to refer some experienced consulting firms to reengineer their HR processes and practices to support growth and transformation.

The combined forces of growth and globalization have great momentum for changes in HRM in Asia at both country and corporate levels. Critical HR challenges must be addressed by companies to sustain their growth and global competitiveness, especially in markets where high-caliber talents are hard to source and where employee mind-sets and values need to be realigned due to a legacy of traditional politico-economic systems. However, as firms in Asia develop and strengthen their HR systems and capabilities to meet new business challenges, we believe that they must sort through what HR practices can be readily transferred from the West and what HR practices must be

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grounded in their national cultures. We predict "bounded" convergence will prevail, not global convergence in the literal sense.

Coverage and Contribution of Articles in This Special Issue

This Special Issue consists of a collection of eight contributing articles that help us understand the key HR issues faced by corporations in Asia, the contribution of HRM to business success, and the evolution of HRM in transitional economies like Vietnam. In terms of geographical coverage, due to the economic prowess of China in East and Southeast Asia, the majority of articles (five out of eight articles) study HRM in China, one focuses on Vietnam, another conducts a comparative study between Korean and Chinese executives, and one covers Asia in general. In terms of research focus, there are four articles devoted to the examination of specific HR issues (for example, the relative im-

portance of employee-organization relationship versus supervisor support in creating trust, the importance of employment security versus career development in employee outcomes, the race and gender bias in expatriate assignments, and organizational resilience in the face of crises and terrorism) that are critical to business growth and globalization in the region. Two articles assess the impact of strategic HRM and operational HRM in organizational performance in China, and one article reviews the evolution of research focus regarding HRM in China in the last two decades. There is another article that compares and contrasts the effects of ownership structure on HRM in Vietnam. Table I summarizes the foci and methodologies used in these articles. We briefly highlight the key contributions of how these articles contribute to our knowledge about HRM in Asia.

Extending her stream of research on employee-organization relationship (EOR), Anne Tsui and associates examine how employee

TABLE I Themes, Coverage, and Methodology of Contributing Articles in This Special Issue

<i>Author</i>	<i>Themes</i>	<i>Country(s) Covered</i>	<i>Basis/Methods</i>
Zhang et al.	Strategic HR issue: Trust	China	545 middle managers 8 cities
Gong and Song	Employment security vs. career development	China	478 firms
Tung	Cross-cultural HRM: Race and gender bias in expatriate assignment	China, South Korea	EMBA students
Liou and Lin	HRM resilience in face of terror and crises HR planning	Asia-Pacific	System dynamics
Ngo et al.	Effects of SHRM and mainstream HRM on performance, employee relations climate	China	600 firms 4 regions Survey + interviews
Akhtar et al.	Effects of SHRM and HRM practices on performance	China	465 firms 2 surveys: general managers + HR directors
C. J. Zhu et al.	Research area growth	China	Literature review 182 articles
Y. Zhu et al.	HRM in transitional economies: The effect of ownership types on HRM structure	Vietnam	32 case studies

trust may be created in China in the article "How Do I Trust Thee? The Employee-Organization Relationship, Supervisory Support and Middle Manager Trust in the Organization." Based on a sample of 545 Chinese middle managers in eight cities in China, this article assesses the relative impact of the formal EOR versus informal supervisory support in affecting employee trust toward organizations. They hypothesize that middle managers' trust in the organization will be highest under a mutual investment EOR approach compared to a quasi-spot contract approach, that trust

will be highest when these managers perceive a high level of supervisory support, that this perceived supervisory support will do more to increase trust than the organization's mutual investment EOR approach, and that supervisory support may modify both the positive and negative aspects of the organization's EOR approach. Their hypotheses are confirmed by the data.

Gong and Chang, in their article "Institutional Antecedents and Performance Consequences of Employment Security and Career Advancement Practices: Evidence from the People's Republic of China," examines the provision of employment security and career advancement in firms of diverse institutional ownership types and the impact of such practices on

employee and firm outcomes. Based on a sample of 478 state-owned and non-state-owned firms (i.e., domestic private firms, Sino-foreign joint ventures, and wholly foreign-owned firms), the study found that the provision of employment security was greater in state-owned than in non-state-owned firms. The provision of career advancement opportunities in domestic private firms and Sino-foreign joint ventures was similar to that in wholly foreign-owned firms, but greater than that in state-owned firms. The provision of career advancement opportunities was positively related to employee organizational commitment, citizenship behaviors, and firm

performance. The provision of employment security was positively related to employee organizational commitment, but not citizenship behaviors or firm performance.

The study makes two important contributions to the HRM in Asia area. First, it highlights the institutional context of change and offers an institutional theoretical explanation for the provision of employment security and internal career mobility. Ongoing discussion about security and mobility has seldom touched upon the role of the institutional context. The study also reveals institutional inertia in state-owned firms. This study also offers new evidence that enriches the debate about security versus mobility. Overall, it seems that the mobility model (operationalized as internal career advancement) is more effective than the security model (operationalized as the provision of employment security) in terms of HR and firm performance outcomes in China. The reduction of employment security, however, was not without cost in that it may lead to lower employee commitment to the organization. Because external mobility reduces loyalty and increases turnover, it is useful to consider internal mobility as an important component of the mobility model in the debate.

In her article "Do Race and Gender Matter in International Assignments to/from Asia Pacific? An Exploratory Study of Attitudes Among Chinese and Korean Executives," Rosalie Tung examines race and gender biases in international assignment to and from Asia Pacific, an important topic as firms in Asia are further integrated into the global economy. Based on a survey of EMBA students in China and South Korea, the article examines how two sensitive but potentially salient criteria, race and gender, might affect the selection of an executive to head the (a) foreign operations of a U.S. multinational in China and South Korea and (b) newly acquired U.S. operations of a Korean multinational. The findings reveal a fairly complex picture of how gender, race, and the interplay of these two factors may affect these decisions. She finds the following: First, in the Korean sample, competencies mattered more than race and gender in a senior executive appointment to the U.S. operations of Korean multinationals.

The provision of career advancement opportunities in domestic private firms and Sino-foreign joint ventures was similar to that in wholly foreign-owned firms, but greater than that in state-owned firms.

Second, in the Korean sample, race and gender outweighed competencies in assignments to Korea. Third, in the Chinese sample, competencies outweighed race and gender in a senior executive appointment in China. Fourth, Koreans had a more positive attitude toward foreign-born Koreans than the Chinese toward foreign-born Chinese for senior executive appointments. Implications for international HRM and diversity management, both theoretical and applied, are discussed.

In view of rising terrorism and crises in the region, Liou and Lin's article "Human Resources Planning on Terrorism and Crises Issues in the Asia Pacific Region: Cross-national Challenge, Reconsideration, and Proposition from Western Experiences" argues that there has been renewed interest in emergency prevention policies in many organizations around the world, particularly since the September 11th attacks (2001) and the bombing events in Bali (2002, 2005). Looking at frequent crises in Southeast Asian countries created by natural and man-made disasters, including emerging threats to the region posed by Islamic fundamentalism and terrorism, this article undertakes a literature search and targets the impact on public attitudes and morale on organizations and HRM, and on organizational resilience. Functional terrorism preparedness requires changes in organizational thinking about external environmental threats. In order to achieve this goal, HR departments must redefine their role in terms of crisis management, and then four key planning measures for insuring post-emergency operations should be observed. These planning measures includes important, yet still underfocused areas of management and organizational responses to (1) planning elements for proactive alertness, (2) inventory dispatched ability, (3) evacuation and record preservation coupled with dissemination to employees plus explicit employee training, and (4) cross-cultural management against terrorists.

In the article "Strategic Human Resource Management, Firm Performance, and the Employee Relations Climate in China," Ngo et al. attempt to extend HR-performance research in the context of China. Their study differs from

previous research work in that it investigates whether SHRM and mainstream HR practices are related to different firm outcomes, including financial performance, operational performance, and the underresearched employee relations climate. They also test whether the above relationships are moderated by the different types of firm ownership, which are characteristic of emerging economies.

The authors used a sample of 600 Chinese firms from four regions and in various industries. Two informants from each firm were invited to participate in the survey through face-to-face interviews. Empirical results showed that the levels of adoption of strategic human resource management (SHRM) and mainstream HR practices were lower in state-owned enterprises (SOEs) than in foreign-invested enterprises (FIEs) and private-owned enterprises (POEs). Both SHRM and mainstream HR practices were found to have direct and positive effects on financial performance, operational performance, and the employee relations climate. Moreover, the effects of mainstream HR practices on financial performance are relatively weaker for FIEs and POEs than SOEs. Managers of these firms should be aware that the increased use of mainstream HR practices may not bring about a significant improvement in financial performance as seen in SOEs. Arguably, SOEs can reap more benefits by designing better HRM systems, as they lag behind other firms in this regard. Mainstream HR practices are able to boost the incentives and motivation of their employees, which in turn leads to higher financial performance in SOEs.

The authors also found that firms using more SHRM benefit in terms of organizational performance, regardless of ownership type. In view of this result, CEOs and HR managers of all types of firms in China should feel confident in implementing SHRM and seeing improved organizational performance. They should devote time and energy to strategically developing and monitoring

Mainstream HR practices are able to boost the incentives and motivation of their employees, which in turn leads to higher financial performance in SOEs.

HRM processes within their firms. Lastly, this study indicates that the use of SHRM and mainstream HR practices contributes to the development of a positive employee relations climate, which is critical for Chinese firms that emphasize workers' involvement and cooperation. Since organizational climate may provide a source of sustainable competitive advantage for firms, HR managers should pay more attention to managing the employee relations climate in their firms.

Along a similar line of thought, the Akhtar et al. study, "Strategic HRM Practices and Their Impact on Company Performance in Chinese Enterprises," examines the validity of strategic HRM practices and their effects on company performance in a sample of 465 Chinese enterprises including SOEs, publicly listed firms (PLFs), and FIEs. Data were collected through two questionnaire surveys among general managers and HR directors of the sample companies. The general managers responded to a questionnaire on financial and product/service performance of their companies. The HR directors provided information on a range of SHRM practices relating to internal career opportunities, formal training systems, results-oriented appraisals, employment security, participation, job descriptions, and profit sharing. Their results

show that core SHRM practices (training, participation, result-oriented appraisals, and internal career opportunities) affect both product/service performance and financial performance. Employment security and job descriptions contributed uniquely to product/service performance, whereas profit sharing contributed uniquely to financial performance.

Cherrie Jiuhua Zhu et al.'s "A Retrospective and Prospective Analysis of HRM Research in Chinese Firms: Implications and Directions for Future Study" is based on an extensive review and analysis of 182 articles published in the field of HRM, focusing on

China since its economic reform. They discuss the major reasons for the growth in this area of research and identify five major categories spanning research and practice, ownership type, and research method. Further, they examine issues and deficiencies in the research literature. Based on their analysis of each research category, they present a substantial series of research questions and implications for future research on HRM in China.

Last but not least, Ying Zhu et al., in "New Forms of Ownership and Human Resource Practices in Vietnam," examine economic reform and its impact on enterprise and HRM in one of the socialist transitional economies in Asia-Vietnam. In 1986, the Vietnamese government commenced the move from a centrally planned system to a market-oriented economy with a multisectoral economic structure and a multi-ownership system. This process, known as *Doi Moi*, had a major effect on the economic and social fabric of Vietnam. This article explores this relationship between economic reform and enterprise management through detailed case studies of 32 enterprises covering a wide range of ownership types. The findings reveal a diversity of HRM practices due to the changing factors such as globalization, political and economic reforms, and enterprise restructuring. Both theoretical discussion and empirical investigation lead to a significant conclusion about the formation and adoption of certain models of people management in the socialist transitional economy. The results show that the development of people management systems is an ongoing process of integration, recomposition, and revitalization under the influence of a number of key factors, including political and economic changes, the relationship between party-state and enterprises, and enterprise management reform in a socialist transitional economy such as Vietnam.

Conclusion

In short, these eight articles collectively cover a wide range of HR issues, evolutionary trends, and challenges in different parts of

Asia. Based on their findings as summarized above, several conclusions may be presented:

1. HR matters, as both studies by Ngo et al. and Akhtar et al. repeatedly demonstrate that HRM practices have an impact on organizational and employee performance in different types of ownership. Their findings are consistent with HR-performance studies conducted in other parts of the world.
2. HRM is evolving in Asia, especially in transitional economies like China and Vietnam. By assessing and categorizing the HR research conducted in China, Cherrie Jiu-hua Zhu et al. trace the evolving focus of HRM studies over different periods of time. Likewise, Ying Zhu et al. examine how HRM systems evolve under major economic reforms in Vietnam.
3. Key HR issues such as building trust, employee security versus mobility, organizational resilience, and international assignments must be understood and effectively addressed as firms in Asia continue to im-

prove their people-management practices to support business growth and enhance global competitiveness.

We believe the articles presented in this Special Issue have captured a snapshot of some key issues and development regarding HRM in Asia. Clearly, more systematic studies in this vital region are needed, and we would invite researchers and practitioners to join us to further advance the understanding of HRM in Asia. Of particular interest are how HRM systems in different groups of Asian economies will evolve under the powerful forces of growth and globalization, and what Asian corporations should focus on, in terms of HRM, to better prepare themselves to capture such unprecedented opportunities created by dramatic growth and globalization. Finally, we hope that you will enjoy reading these articles as indeed we did, gain new insights from their studies, and build on these to further our common professional concerns, no matter whether in academic or corporate settings.

ARTHUR YEUNG is currently the associate dean and Philips Chair Professor of Human Resource Management at China Europe International Business School. Before his recent return to academia, Dr. Yeung served as corporate vice president and chief HR officer of Acer Group—one of the top five PC companies worldwide. Reporting directly to the chairman and CEO, he worked closely with the top management team to radically transform Acer to meet the challenges and opportunities of new business realities.

Dr. Yeung's research interests focus on building organizational capability for strategic implementation, leading and facilitating organizational transformation, and strategic human resource management. He has received research awards from two leading human resource associations in the United States: the Yoder-Heneman Personnel Research Award presented by the Society of Human Resource Management (1989) and the Best Research Paper of the Year by the Human Resource Planning Society (1995). In 2002, he also received the Gold Book Award, jointly presented by the Ministry of Economic Affairs and the Chinese Management Association in Taiwan. Dr. Yeung served as associate editor of *Human Resource Management Journal* from 1995 to 2006 and is currently editor (Asia) for *Human Resource Planning Journal* and editorial advisory board member of *Harvard Business Review* (China).

In addition to research and teaching, Dr. Yeung has also been involved in training and consulting projects for numerous major corporations in Asia and North America and serves as an independent board member for two publicly listed companies in Hong Kong and Singapore. He also chairs the Asia-Pacific Regional Judge Panel for selecting "Best Employers in Asia" sponsored by Hewitt, the *Wall Street Journal* (Asia), and the *Far Eastern Economic Review*.

MALCOLM WARNER, MA, PhD (Cantab.), is currently a professor and fellow emeritus, Wolfson College, and senior research associate, Judge Business School, both at the University of Cambridge. Following his undergraduate studies at Cambridge, he was a graduate fellow at Stanford University, gained his doctorate from Cambridge, and was later a postdoctoral ACLS fellow at Columbia University. After this, he taught and researched at the London Business School and Henley Management College/Brunel University, among other institutions. He has also been Halevy Visiting Professor at the Institut d'Etudes Politiques de Paris (Sciences Po') and a frequent speaker at annual conferences on Asian management at INSEAD, Fontainebleau. He has additionally been an honorary visiting professor at Cass Business School, City University, London. He has over the years given lectures and seminars at many business schools and universities worldwide and particularly in Asia Pacific, in China, Hong Kong, India, Japan, Thailand, and Vietnam, as well as in Australia.

His special interests are in the areas of Asian management, cross-cultural studies, organization behavior and human resources (<http://www.jbs.cam.ac.uk/people/faculty/warnerm.html>). He has published over 40 books and over 250 articles in journals, chapters, and other contributions. The latter include the *Asia Pacific Journal of Management*, *China Quarterly*, *Human Relations*, *Industrial Relations*, the *International Journal of Human Resource Management*, *International Studies of Management and Organization*, the *Journal of Management Studies*, the *Journal of World Business*, and *Organization Studies*, among others. He is the editor-in-chief of the *International Encyclopedia of Business and Management* (eight volumes) and co-editor of the *Asia Pacific Business Review*. He is also on the editorial boards of a number of international journals.

CHRIS ROWLEY, BA, MA (Warwick), DPhil (Nuffield College, Oxford), is a subject group leader and the inaugural professor of human resource management at Cass Business School, City University. He is the founding director of the new, multidisciplinary and internationally networked Center for Research on Asian Management, editor of the leading journal *Asia Pacific Business Review*, and founding book series editor of *Studies in Asia Pacific Business* and *Asian Studies: Contemporary Issues and Trends*. He is well known and highly regarded in the area, with visiting appointments at leading Asian universities and positions on top journal editorial boards in the United States and United Kingdom. He has given a range of talks and lectures to universities and companies internationally with research and consultancy experience with unions, business, and government, and his previous employment includes varied work in both the public and private sectors.

Professor Rowley researches in a range of areas, including international and comparative human resource management and Asia Pacific management and business. Recently he was awarded research grants from the British Academy, an ESRC AIM International Study Fellowship, and a five-year RCUK Fellowship to study various management issues in Asia. He acts as a reviewer for many funding bodies, including the ESRC, British Academy, and Leverhulme, as well as for numerous journals and publishers.

Professor Rowley publishes very widely, including in leading U.S. and U.K. journals, such as *California Management Review*, the *Journal of World Business*, and the *International Journal of HRM*, among many others, with over 100 articles, 80 book chapters, and other contributions and 20 edited and sole authored books (www.cass.city.ac.uk/research/faculty.nsf/c.rowley). He also regularly wrote for the *Financial Times's* series "Mastering Management Online."

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