CONVERGENCE AND DIVERGENCE IN ASIAN HUMAN RESOURCE MANAGEMENT

Chris Rowley* and John Benson#

June 2000

* Department of HRM, City University Business School, Frobisher Cresent, Barbican Centre, London, EC2Y 8HB, United Kingdom.

Department of Management, University of Melbourne, Parkville, Victoria, Australia 3052.

Paper to be presented at the *Association Francophone de Gestaion des Ressources Humaines*, 16-17 November 2000, Paris.

Abstract

Some of the most popular buzz words and debated topics in many areas of inquiry, not just business and management, are 'internationalisation' and 'globalisation'. In the field of human resource management (HRM), developments in these areas have had several impacts. Importantly, they have generated a need for many companies to be internationally competitive. Thus, many businesses look to methods of flexibility and treat their employees as disposable human resources. This has led to some common changes in the HRM practices at the enterprise level. This, at least on the surface, indicates a degree of convergence. However, when we probe more deeply a different picture emerges. Many differences in HRM remain due to a variety of limiting factors, ranging from economic stages of development to business strategies, national culture and fixed enterprise mindsets. Using evidence from a selection of diverse economies in Asia, we explore and map out the patterns and challenges in these themes and for research.

Key Words: Human resource management, Asia, Convergence, Divergence, Levels, Comparisons.

1. The Need For Comparisons?

There has been a growing awareness of the importance of human resource management (HRM) in the global arena and a greater understanding of its international dimensions (see the 'evolution' of the texts by Dowling *et al.*, 1990; 1994; 1999 reflecting this).[i] However, more 'traditional' international HRM (IHRM) defines the area too narrowly and descriptively, with little backing in systematic research, although for some this is less the case, with increasing interest in broader issues, subsidiary concerns and theoretical development (Dowling *et al.*, 1999). IHRM needs to be better grounded and take account of 'lower level' issues and practices, not least as this is where policies and practices 'bite' and are implemented, mediated and where possible sources of constraints, such as culture, institutions worker organisations, may appear (see Rowley and Benson, 2000).

In short, we should not define IHRM too narrowly, although some may counter that IHRM will simplify as HRM converges and universalises under the impact of environmental changes such as globalisation, benchmarking and 'best practices'. Such universalistic views are not new and have come in for criticism from commentators who see diversity (see, *inter alia*, Turner and Auer, 1996; Katz, 1997). Some concluded that while several common patterns were emerging across advanced industrial states, at the same time cross-national variations existed in various aspects of employment relations (Locke and Kochan, 1995). Specifically, a review of research on HRM across a variety of Asia Pacific economies concluded that 'convergence, and modern variants – universalism – should be questioned' (Rowley, 1998:207).

Furthermore, developments in HRM may not simply be unidirectional. For some, '·HRM heading East and Japanization heading West collided in an unholy tangle as the 1980s unfolded, with the result that widely varying styles of employee management have emerged (Beardwell, 1997:774). The use of 'Asia' as a 'test bed' for such HRM developments strongly suggested itself for several reasons. First, there was the success of many of its economies and companies (even taking into account the 1997 Asian crisis) and the ideas of Japanese management practices and Japanisation with its universalistic, 'best practice' and convergence overtones. The search for elements in this success included a focus on HRM as an ingredient. Second, its economies are often grouped together as 'Asian', and underpinned by 'Asian

values' on the basis of spatial and cultural proximity. Thus, we might expect this to be fertile ground for intra-regional convergence. Third, given the regional range of stages of economic development, it also allows exploration of convergence both between more (Japan, Korea, Taiwan) and less (China, Thailand) 'developed' Asia (and Western equivalents) economies. In short, this allows exploration of the hypothesis that despite some superficial similarity and cultural and spatial closeness and even common environmental forces, there may be factors constraining convergence and delivering divergence.

Convergence of HRM across national borders is, clearly, not a foregone conclusion. Globalisation and international trade and finance may place substantial pressure on firms to standardise practices and policies. Local customs, institutions, and labour forces do, however, provide serious constraints on the degree of convergence and may well lead to increasing levels of divergence. This paper will explore these issues by considering the HRM practices in a number of diverse Asian countries. Prior to considering patterns of HRM in these countries it is necessary to consider why national patterns of HRM may vary. Following this section, the paper considers the problems with the convergence argument and how change could be evaluated. The key HRM practices in a number of Asian countries are then outlined, while discussion and conclusion sections complete the paper.

2. National Patterns of HRM?

Various non-HRM specific theoretical approaches that have been developed can be utilised here to explore patterns of HRM practices in different countries. We will examine four main views within two categories underpinned by either the structural characteristics of organisations (convergence, contingency) or cultural (ideational, institutions) factors.

A. Reasons For Increasing Similarity?

The first group of theories may be used to support the universalistic position on the basis of the structural characteristics of organisations.

i. Convergence Theory

Early convergence theorists, like the Americans Harbison and Myers (1959) and Kerr *et al*. (1960), assumed that the process of industrialisation and spread of advanced technology would move all countries towards similar political and economic systems like the United States (US). An implication of this approach is that there were 'universal truths' that could be applied, such as in HRM. This is similar to Taylor's 'scientific management' that resulted in the view that there was 'one best way' of managing.

Whilst such views were popular in the 1960s, they have subsequently received considerable criticism. This is because such approaches over-simplify industrial development, and give too much emphasis to the impact of technology, while the issue of exactly what it is that is being converged towards (and if this is constant or changeable) remains. Yet, almost a quarter of a century later Kerr (1983) argued that convergence theory remained valid. Such universalistic views of this nature still appeared (see Peters and Waterman, 1982), or returned in revised forms (see Womack *et al.*, 1990), as it was believed that the forces of convergence across countries was more likely to overwhelm national differences (MacDuffie, 1995). Convergence-type ideas run through many debates and management ideas, such as the spread of Japanese management practices and even the Japanisation of industries irrespective of geographical location, and more recently the notions of 'lean production'. There are also the issues around ideas such as benchmarking. An implication is that such processes would lead to the identification of readily transferable so-called 'best practice' around which organisations would have to converge or else be at a competitive disadvantage. An implicit assumption is that the effects of 'best practice' are not firm specific, but rather universal and transferable. Much of the na•ve nostrums of simple 'off-the-shelf' solutions and prescriptions peddled by so-called 'management gurus' fit within this sort of approach. From other perspectives, some saw convergence around 'management by stress', oppressive work organisation and team concepts (Parker and Slaughter, 1988). Asian examples can be noted, such as neo-Fordist workplace relations in US pharmaceutical MNEs in Malaysia and Taiwan (Frenkel, 1995) and conflict resolution and conciliation practices between Hong Kong and Singapore (Kirkbride *et al*., 1991).

Furthermore, such universalistic tendencies have been given an extra twist and boosted by the ideas such as internationalisation while many views in the globalisation area can be located within universal-

type theories, with a central proposition that there is a world-wide tendency for political, socio-economic and technological forces to push national systems, including of HRM, towards uniformity. Is it believed that all countries are subject to these forces, with similar governmenta roles in providing the workforce, infrastructure and competion for the same international investment (Salamon, 1997). Yet, there is ongoing debate about globalisation's impacts, meanings and newness (see examples in Rowley and Benson, 2000). It should be recognised that many changes and outcomes are contested concepts and not as new, all powerful and universally applicable as they are often presented (see Fitzgerald and Rowley, 1997). Many such views are too simplistic as they assume all organisations compete and do so in the same ways. Furthermore, ultimately 'best practices' would not bring competitive advantage if all other firms benchmark those practices as well. Even more problematic is that not just observable (eg systems, practices, techniques), but also unobservable (eg culture, norms, values) factors are involved (Bae and Rowley, 2000).

ii. Contingency Theory

Contingency perspectives recognised that a range of factors, such as differences in technology (Woodward, 1965) or the stability of the environment in which firms operated (Lawrence and Lorsch, 1967) were important and that working practices could be affected by these. For others, organisations follow and adapt different HRM approaches and practices (ethnocentric, polycentric, geocentric, regiocentric) to the fit the external environment in which firms operated (see Perlmutter and Heenam, 1979) or according to the stage of international corporate (domestic, international, multinational, global) evolution (Adler and Ghadar, 1990).

Nevertheless, these contingent factors still seemingly imposed a 'rational' logic of administration and organisation, and by implication, HRM. This implicitly supports views that there is still 'one best way' within contingent variables. Yet, it is problematic to assume that the experience of workers at different times and places is similar, while the assumption of similarities in itself may pre-empt and bias analysis of crucial differences (Cronin and Schneer, 1982; Nicholls, 1999). The major criticism of such universal theorists is that they fail to understand that the way managerial ideas and practices are interpreted, implemented and responded to, varies between countries and levels within organisations, both

structurally and internally by individual employees. Arguments that focus on possible reasons for these differences have given emphasis to cultural or institutional factors.

B. Reasons For Differences?

Another broad group of approaches sees that differences between economies can remain and seek to explain this. Again, while not HRM-specific, these ideas can be usefully utilised in the HRM area.

i. Culture

This area is not as new (see the work of Weber, 1930; 1951; Parsons, 1951; Bellah, 1957), although its popularity was raised by the work of Hofstede (1980; 1992), whose ideational approach argues that culture is the 'collective programming' of the mind of members of a group which is reflected in particular assumptions, beliefs and norms held in common by that group. It is because values and relations of the familial, societal and contractual kind are so important to human beings everywhere that many commentators have emphasised differences in culture as an explanatory variable in comparing many areas and aspects of management, including HRM. Values, for example, can be seen when comparing managers: more 'individualistic' in the US versus greater 'collectivism' in Japan. Relations refer to the variety of social relations, which include family relations, sociability and contractual relations, and can be seen in the varied roles of women in the family in Asia compared to Western society.

So, the Japanese emphasis on 'uncertainty avoidance', in Hofstede's terms, and social stability may require guarantees of job-security, while Anglo-American economies are based on a high degree of labour market mobility that indicates peoples' willingness to accept greater uncertainty about future employment possibilities. Anglo-Saxon individualism encourages personal incentives, but Japanese collectivism remunerates group achievement and minimises pay differentials. In concluding that organisations are 'culture-bound', Hofstede believes that there are no universal answers to the problems of organisation and management. As is perhaps only to be expected, Hofstede ends up with distinct 'national economic cultures' because each of the countries studied responds differently along each axis and is thus located in a unique position within his overall four-dimensional schema.

However, there are theoretical and methodological problems in this approach. As Rowley and Lewis (1996:11) summarised, '…national cultures are uniquely configured systemic structures and this makes the isolation and comparison of specific cultural attributes a hazardous enterprise. However, the *a priori* notion of economic culture by definition overlooks this systemic nature of culture, for it assumes that individual cultural attributes - specifically, those that are held to influence economic behaviour - *can* be isolated and compared. By contrast, *a posteriori* notions of economic culture, while generally mindful of the systemic nature of national cultures, seem prone by their very nature to the temptation of *post hoc* reasoning.'

Furthermore, some of these cultural based arguments overstate the case. For instance, can all societal and management differences be explained in terms of people's attitudes? Asian companies have established successful operations throughout many diverse parts of the world using local indigenous workers who have a wide variety of very different values. The problem with cultural approaches is that they may give too much emphasis to history and individuals' perceptions. There is little account of how values change over time. For example, in Japan some Western individualist ideas are becoming more popular (interview notes, Japanese trade unionist). For Hostede (1998:247) '…there is evidence of increasing individualism in Japan…', where 'The changing values of the younger generation have made employers reconsider some work practices' (Sano, 1998:409). In Korea ideas concerning greater individualism and less collectivism have also gained some ground (Bae and Rowley, 2000). These developments can also be seen in contemporary reports in the quality newspapers and magazines. What effect will these trends have on their 'traditional' working practices and HRM given that the often referred to 'collectivism' is seen to underpin labour management in such countries? In short, the cultural approach can become a 'black box' into which all differences are explained.

Values on their own are not enough, they need to be rooted in the social and economic structure of a given society. For example, Whitehill (1991) argues that culture includes not only the values held by individuals and relations between people at work and in their families, but also the structure of the firm and society. For Evans and Lorange (1989) both product-market and socio-cultural 'logics' shape

HRM policy. Approaches that have tried to take account of these broader factors are often referred to as institutional approaches.

ii. Institutional Approach

The institutional view argues that the traditional values and practices are embedded in a country's social and economic institutions. For example, the success of economies is not attributable simply to cultural forces, such as a strong 'work ethic' and 'discipline', but to institutional factors. For example, in Japan government support through various agencies (ie, the Ministry of International Trade and Industry), substantial enterprise training and consultative practices, have underpinned success. Likewise, Korea's economic development was fostered not just by so-called 'Asian values', but institutional elements such as the creation, development, direction and availability of a skilled workforce, finance, markets and enterprises.

This sort of approach is adopted by Whitley (1992), who argued that pre-industrial history and the processes of industrialisation shaped Asian business systems. Similarly, others argued that we cannot examine separate aspects of a system without locating it in its specific societal context (Morishima, 1995). Maurice *et al*. (1986), for example, explained manufacturing differences by the variables of: educational and training system; nature of the business organisation; differences in business organisation and structure.

These views have not, however, escaped criticism. First, they can tend to present a static view of a national industrial 'order' and 'league' and that there is no account of how change comes about. How are the shifting competitiveness rankings of countries such as US, UK, Germany and Japan, Korea, etc. to be explained? Second, they fail to recognise that divergent and contradictory ranges of practices may well exist within one society. Finally, little attention is paid to the nature and changing role of the state.

3. Problems with Convergence and the Evaluation of Change

From the above we can distinguish two polar views (with a variety within them) that attempt to explain national HRM systems. While many expect HRM practices to universalise and converge over time, others would argue that practices are varied and specific, and they expect them to remain so or even to

diverge. Indeed, even convergence at the global level in terms of economic forces and technologies '·may result in divergence at the national and intra-national level, as these forces are mediated by different institutions with their own traditions and cultures' (Bamber and Lansbury, 1998:32).

Overall, for a number of reasons the prospects for convergence would appear to be low. These 'limitors' include (see Salamon, 1997):

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

Furthermore, from a theoretical perspective a number of questions arise. It is often the same factors (eg technology, flexibility) which are seen as producing both convergence and divergence. Even the terms are problematic as 'convergence' implies a coming together and 'divergence' a moving apart. Therefore, is remaining variety evidence of convergence or divergence? How do we define, distinguish and measure them? Are there minima to the number, depth, breadth, coverage, speed and time in existence of elements? Are we comparing 'like with like'? This includes not only stage of development, but also size, sector, and products. How 'typical' and 'representative' are examples? What if some practices at some organisational levels converge, but others do not? To what extent does the 'type', 'importance' and 'level' of the practice matter? To what extent does convergence need to be integrated (vertically and horizontally) versus *ad hoc* and 'pick and mix' transfers? What periodisation and comparison situations are used? How do we judge, for example, small/large of convergence by number/size over short/long times in stable/turbulent periods in few/many organisations accepted by some/many individuals at the top/bottom of hierarchies? How do we distinguish operation in practice versus prescription and

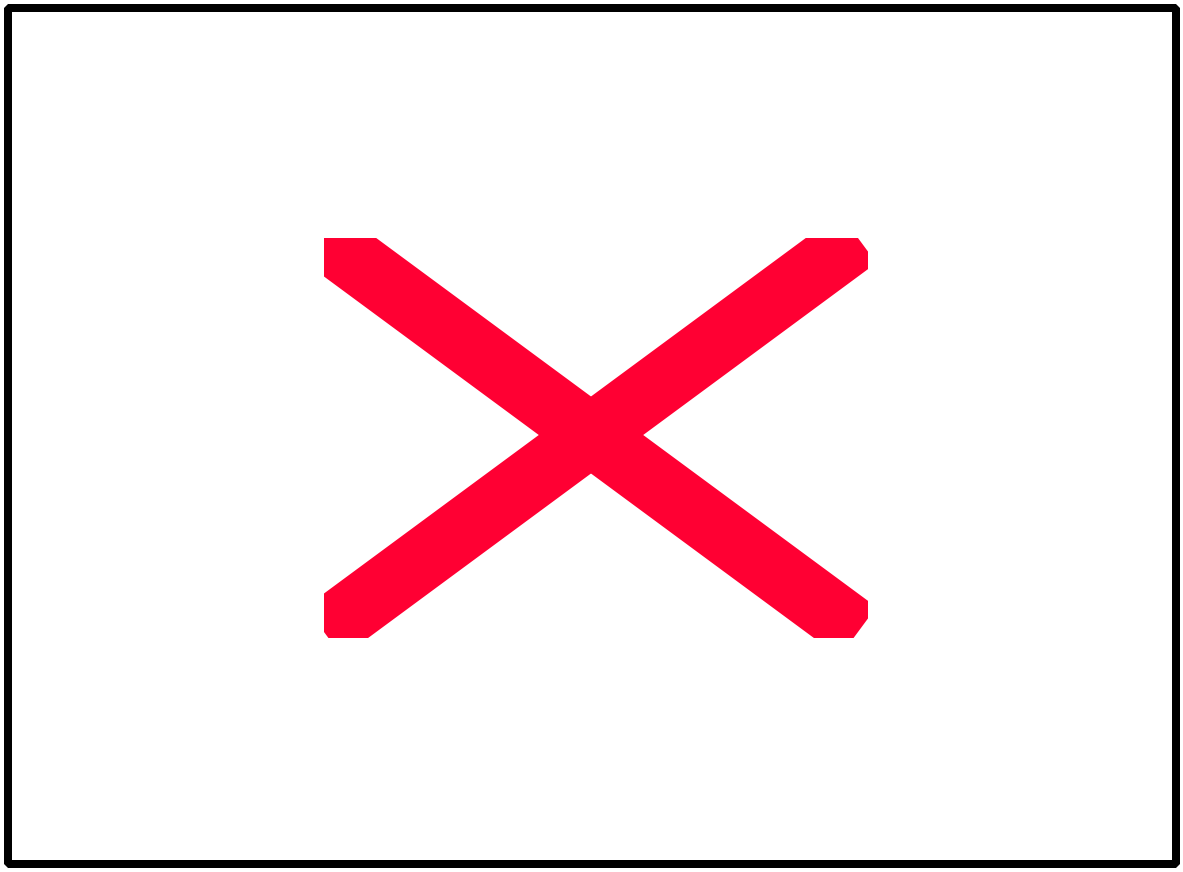
rhetoric? Crucially, how do we distinguish levels of acceptance of practices within individual organisations and people? Such problems and complexity are often overlooked in the hagiography of convergence. Indeed, the common fetish of interest, and reporting of, in change over continuity, is an important bias to be recognised here.

In short, we need to remember the difficulties ignored by some commentators in the area. These include agreement on the identification of convergence, even at one specific time and spatial and political, economic, social and technological context and levels of change. A further problem lies in how change can be measured or evaluated. One possibility (developed in Bae and Rowley, 2000) is to consider the three distinguishing characteristics of transformation (or 'revolutionary change') of Gersick (1991) and Erickson and Kuruvilla (1998):

(1) reconsideration and change of a system's 'deep structure' (network of fundamental assumptions and principles underlying the basic configuration),
(2) change in structure and practice occurs rapidly relative to the past,
(3) widespread experimentation and increases in speciation and diversity.

Some problems still persist, such as with definitions and identification of key components of systemic 'deep structure'. One way to view these developments is within the framework outlined in Figure 1, a modified version of the model developed by Bae and Rowley (2000). When seeking to identify a possible HRM paradigm for a particular country we need to consider all the complex, interacting factors it contains. The framework has two dimensions: unit of analysis (organisational versus national) and focal point (systems versus culture). For instance, changes in HRM practices can be affected by environmental changes. Thus, universalism is taken as to include 'practices' and driven by factors such as 'best practice' and 'global standards' and which has impacts on, and is impacted by, culture. Often, at least two gaps exist that can act as constraints on convergence.

FIGURE 1: POSSIBLE TENSIONS AND GAPS IN ASIAN HRM SYSTEMS



(Source: adapted from Bae and Rowley, 2000)

The first convergence impediment is the *universalism versus national culture* gap. This is important as so-called 'cultural distance' has long been used extensively as a critical explanatory factor in various areas (eg Horng, 1993; Kogut and Singh, 1986). Developing this, Kostova (1999) used the term 'country institutional profile' (CIP), a country's set of: 'regulatory' (ie existing laws and rules), 'cognitive' (ie schemas, frames, inferential sets), and 'normative' (ie values and norms) institutions. Recently, some have argued that some so-called 'Asian values', and even Confucianism, are problems and should disappear. Yet, how, and over what time scale, should such change occur? Clearly there are some barriers to these changes, not least cultural and structural inertia.

The second convergence constraint emerges from the gap between the newly adopted *HRM practices versus the shared mindset* of people in organisations. It can be argued that transfer success depends upon the degree of the HRM practice's 'institutionalization' at recipient units at twin levels (Kostova, 1999:311). First, 'implementation', whereby recipient units simply follow formal rules with objective behaviour and actions. This may well be the level, relatively shallow, that is often used to support HRM convergence. Yet, there is also a second, deeper, level in transfer institutionalization, that is 'internalization', attained when employees have commitment to, satisfaction with, and psychological ownership of, the practice (Ibid.). This is less readily 'visible' transference (and more difficult and time consuming to research). Thus, gaps between practices adopted and mindsets reflects a lack of internalization, representing failure to infuse the practice with values (Selznick, 1957). It may be easier to implement, but much more difficult to internalize, certain practices. Therefore, even if these are 'best practices', they may not bring positive effects until people fully accept and approve them. As Hofstede (1998:247) notes, manifestations of culture include not just 'symbols' and 'rituals' but also deeper underlying levels of values which determine the meaning to people of practices and so concludes his earlier quoted point about increasing individualism with the caveat: '·but traditional elements of collectivism survive as well'.

Clearly the key issue is to move beyond broad-brush portrayals of HRM change. We need to disaggregate and distinguish some aspects that may be converging from those remaining distinct or even diverging. Here Child's (1981) observation of two decades ago retains its force: simultaneous evidence for both continuity and divergence may result from research foci, with convergence studies focusing on macro level variables (structure, technology), and divergence work concentrating on micro level variables (behaviour of people in organisations). Furthermore, some (eg Youndt *et al.*, 1996) suggest convergence and contingency approaches are complementary, operating at different levels of a HRM system's structure (Becker and Gerhart, 1996:786). These different levels are:

(1) system architecture, guiding principles and basic assumptions ('deep structure');

(2) policy alternatives, mix of policies consistent with architecture ('architectural fit') and appropriate internal/external fit;

(3) practice process, best-in-class implementation and techniques given appropriate decisions at architecture level.

For Becker and Gerhart (1996) universal ('best practice') effects would be expected at level (1). However, when we go down to level (2) or (3), policy/practice, divergent phenomena would be more expected. Therefore, the issue of transferability and convergence of HRM systems becomes more a matter of degree, not of kind, and less about 'all-or-nothing' and more concerned with 'what-aspects and how-much' choice (Taira, 1990).

4. Measurement and Research Methodology

The model developed by Bae and Rowley (2000) and presented in a modified version above clearly illustrates two gaps that can act as a constraint to convergence. In this paper we address the *HRM Practices – Shared Mindset* gap as this directly addresses the question of HRM change and whether enterprise HRM systems are converging. Three levels of HRM change will thus be analysed: system architecture, policies and practices. One way of operationalising these three levels is to adopt Storey's (1995:6) model of HRM.[ii]

The first level, system architecture or deep structure, can be measured by differences in *Beliefs and Assumptions* (Ibid.). That is, it is human resources (HRs) that gives a competitive edge, that the aim is not merely compliance but employee commitment, and that employees should be carefully selected and developed. The second level refers to policy choices and mix of policies. These policy options can be measured by *Strategic Qualities and Managerial Roles* (Ibid.), namely that HR decisions are of strategic importance, that HR policies should be integrated into business strategy and that line managers play the critical role in HRM. Finally, the third level refers to the actual HRM practices in the enterprise. These are referred to as the *Key Levers* (Ibid.) and consist of integrated action on selection, communication, training, reward, and job redesign that allows for devolved responsibility and empowerment. These three levels and their corresponding dimensions represent an idealised version of HRM that will not be present in all Western enterprises. The value of this approach, however, lies in having a common reference point by which to measure changes in HRM.

Enterprises in five Asian countries are considered in this analysis. These are Japan, China, Korea, Thailand and Taiwan. While regionally concentrated, these countries provide a useful range as they are at various stages of economic development and represent a variety of business systems (Whitley, 1992). All these countries were included in *HRM in the Asia Pacific Region* (Rowley, 1998). This data was supplemented by later work by Benson and Zhu (1999) on China, and Bae and Rowley (2000) on Korea. Contributing authors to this volume were asked to utilise a modified version of Storey's (1995) model. This shortened version of the 25 dimensions provided by Storey (1995) was recommended as not all the dimensions listed were relevant to a comparative analysis nor were appropriate data available. As such only a partial analysis of HRM changes in these countries can be provided.

The type of firms considered in each of the five countries were, in general, large firms in the private sector. Some smaller family owned firms were included in the Thailand case study as well as some state-owned enterprises in the case of China and Taiwan. Our re-assessment of the level of change in these countries did, however, focus on the larger private sector firms. With the exception of Japan, the firms represented a mix of ownership types, including joint ventures in China, Taiwan and Thailand, and foreign firms, predominantly Japanese or Western firms, in Korea, Taiwan and Thailand. These firms were not selected randomly, although in all cases firms were chosen to provide a representative cross section of larger firms.

Data was collected in the period 1995 to 1998 by personal interviews with senior HRM managers and, in the case of Taiwan, a questionnaire survey. The questions asked were designed to measure the extent to which the 12 dimensions, adapted from Storey (1995), have been adopted. A summary of the three levels of HRM in these five countries is presented in Table 1. The symbols used (✓, %, x) indicate the degree to which the idealised version of HRM is present. While these categories are broad and the actual assessment for each country relies on a degree of subjectivity, the interview data was, in all cases, supplemented with wider survey and government data. As such the case studies allow for an assessment of the degree of convergence of HRM in large private sector firms.

TABLE 1: HRM IN SELECTED ASIAN COUNTRIES

Dimension	Japan[1]	China[2]	Korea[3]	Thailand[4]	Taiwan[5]
1. *Beliefs and Assumptions*					
Impatience with rules	x	x	x	x	x
Values and missions	✔	x	%	%	%
2. *Strategic Qualities and Managerial Roles*					
Customer orientated	✔	%	n/a	%	n/a
Central to corporate plans	✔	%	%	x	n/a
Nurturing managerial role	✔	%	✔	x	%
Importance of line managers	✔	%	✔	x	%
3. *HRM Practices*					
Freedom in personnel selection	✔	%	✔	✔	%
Individual performance pay	%	%	%	%	%
Harmonization of work conditions	✔	✔	✔	x	%
Individual contracts	x	✔	%	%	✔
Teamwork	✔	✔	✔	%	%
Continuous training	✔	%	✔	%	✔

(source: adapted from Storey, 1992; 1995).

Key: ✔ practice present; % practice present to some degree; x practice not present; n/a data not available.
[1] Benson and Debroux (1998); [2] Warner (1998), Benson and Zhu (1999); [3] Bae (1998), Bae and Rowley (2000); [4] Lawler *et al*. (1998); [5] Chen (1998).

5. HRM in Selected Asian Countries

As can be seen from Table 1 the adoption of the idealised HRM model varies between enterprises in different countries and between the various levels of HRM structure. At the level of *beliefs and attitudes* concerning the value of HRM very little movement towards the HRM model was observed.

Enterprises within all five countries believe in the need for clear rules that specify mutuality. Moreover, with the exception of Japan, enterprises have made little attempt to move beyond 'custom and practice' as the major determinant in organisational behaviour. This indicates that the architecture or deep structure of enterprise HRM in these countries has not changed to any substantial degree. The lack of change at this level suggests culture and shared mindsets have been important constraints on convergence.

Evidence of HRM at the policy level within the enterprise can be gauged by examining those dimensions listed under *strategic qualities and managerial roles*. If HRM has a strategic orientation this should be seen in the centrality of HRM to business objectives, the focus on the customer as the key relationship and the importance of line managers. With the exception of Japan, only minor movement on these dimensions has been noted in enterprises in the other four countries. Clearly the state of development and the nature of the enterprise can partially explain these findings. Again, it is the case that national cultural factors and the shared mindsets at the enterprise level have also combined to resist convergence.

The adoption of the HRM model is most significant at level three, namely among individual *HRM practices*. Enterprises in all five countries have adopted, or moved towards adopting, most of the six practices examined. Freedom in personnel selection, teamwork and continuous training are the most prevalent practices. Nevertheless, there has not been a uniform acceptance and the pattern is something of an *ad hoc* and ‘pick-and-mix’ approach to the adoption of these HRM practices (confirming much other research, as in the UK). Moreover, the precise nature of each practice varies considerably between the five countries and between enterprises within each country. Thus, the linkages between the practices are not well developed and as Storey (1995:14) argued, this explains why enterprises have been able to relatively easily select individual elements of HRM.

Some examples from our case countries illustrate this. There are reports that seem to indicate that Korean enterprises have rushed to replace former HRM practices and systems, such as lifetime employment and seniority systems, with more 'Western' flexible adjustment and pay practices (see

examples in Bae and Rowley, 2000; Kim *et al.*, 2000), For instance, the number of companies on the Korean stock exchange with share options schemes rose from 1.3% (1998) to 6% (1999) to 13%, while profit sharing in 5,116 large companies rose from 4% (1998) to 18% (*The Economist*, 2000). However, despite occurring in a period with the very strongest environmental incentives to change - the recent Asian crisis and threatened bankruptcy for many - when examined in greater depth changes are more ambivalent and constrained in terms of both their spread and, crucially, acceptance. Other examples from Korea show this dichotomy. While Korean labour law was relaxed to allow redundancies, and some high profile instances has been reported, the reality is less clear cut. Thus, Confucianism in labour markets remains, with paternalistic employers protecting (and bullying) employees, as indicated in the following cases (see *The Economist*, 1999; Bae and Rowley, 2000). A Samsung subsidiary gave unpaid 'paternity leave' to employees (female and male), Jinro was kept open by Seoul District Court to protect jobs, Kia remains proud of its 'no-layoffs' agreement, and Hyundai's Ulsan car plan watered down its layoffs from 5,000 to 1,500 with only 277 (with 167 of these from the staff canteen) actually being made redundant, and the rest put on unpaid leave for 18 months.

Similar tensions can be seen in the example of Thailand. The long-term commitment, reinforced by legislation imposing high separation costs (at least for core workforces) common in Thai enterprises still continues (Lawler and Suttawet, 2000). Indeed, it would be difficult to see adoption of certain HRM practices in what remains a very much a collectivist culture, with the centrality of Theravada Buddhism to Thai culture contributing the HRM framework. Thai society is hierarchical in character, with tendencies to defer to 'social superiors', which is often reflected in the processes by which organisations are managed. Such 'ordering' is supported by Buddhist doctrine, which encourages individuals to be accepting of their current situation in life (seen as a consequence of one's past life) and to work for a good 'next life' (Ibid.). in short, Thai culture is still a dominant influence in HRM. Given this, the individualism that is seen to be integral to HRM (eg appraisal systems, performance related remuneration) will not find very fertile ground.

6. Discussion

This examination of HRM in large enterprises in five Asian countries suggests that the adoption of HRM has been at the level of practices rather than policy or basic architecture. It appears, at least superficially, that at this level convergence has occurred, but that the uneven nature of the changes supports Taira's (1990) claim that convergence is more about choices concerning 'what-aspects and how-much'. In short, convergence appears to be more about individual HRM practices than system change.

While the analysis illustrates that on some dimensions there may be some convergence towards an idealised version of HRM, the different take-up rates shows a degree of divergence in enterprise HRM in the five countries studied. Thus, for example while large Japanese enterprises have continued with lifetime employment, at least for core workers, and continuous internal training, other countries have moved towards contract employment with increasing emphasis on external training and accreditation. This supports Whitley's (1992) proposition that different business systems will emerge out of different contexts and that they can be equally successful. It, therefore, appears that different configurations or bundles of HRM practices are emerging in these countries as a result of the pressures of internationalisation and globalisation.

Clearly, however, there are limitations to these conclusions. The research upon which these conclusions are based is limited in the selection of enterprises, their representativeness, and to a particular time frame. Moreover, the question of convergence to 'what' has not been adequately dealt with. The idealised version of HRM by which comparisons were made has not been established as a general Western HRM approach, nor have the contradictions in such a model been clearly addressed. As the Bae and Rowley (2000) model illustrated, enterprises in Western societies would also face a range of constraints in introducing aspects of the HRM model such as the strategic aspects and individual practices like performance related pay (Storey, 1995:12-13).

The consistency of the findings of this research match up with the arguments presented by Rowley (1998), Salamon (1997) and others that the prospects for convergence would appear to be low. More importantly, the findings show strong support for the need to consider change at various levels and that

the different levels of a HRM system as proposed by Becker and Gerhart (1996:786), namely architecture, policy alternatives and practice process, is a useful way of analysing the convergence.

This analysis shows the prospects for convergence due to gradual or evolutionary change at the enterprise is low. Yet, HRM convergence could still occur due to 'revolutionary change' (Gersick, 1991; Erickson and Kuruvilla, 1998). This type of change would involve a reconsideration of the 'deep structure' of the HRM system. One way for this reconsideration to arise is via externally imposed conditions as happened to Korea and Thailand during the recent Asian financial crisis. For example, one of the conditions imposed on Korea by the International Monetary Fund for financial assistance was to legislate for an end to 'lifetime employment'. Whether this results in a new equilibrium position being established which is closer to the idealised HRM model is not, at this time, clear.

7. Conclusion

In conclusion, this paper has pointed out the difficulties in examining the issue of HRM convergence. The key question is not whether particular practices are being adopted, but at what levels (depth and acceptance) is convergence taking place and what are the limiting factors for this convergence. The model and concepts discussed in this paper provide a blueprint for further research in this area. In short, this research must consider change at all levels (architecture, policy and practice) and also extend the analysis beyond the *HRM Practices – Shared Mindset* gap to a consideration of the gap between *Universalism and National Culture.* Only by expanding the research agenda in these directions can the full complexities of questions of convergence be grasped and understood.

References

Alder, N.J. and Ghadar, F. (1990) 'Strategic Human Resource Management: A Global Perspective' in R. Pieper (ed.) *HRM in International Comparison*, Berlin: De Gruyter, 235-60.

Bae, J. (1998) 'Beyond Seniority-Based Systems: A Paradigm Shift in Korean HRM' in C. Rowley (ed.) *HRM in the Asia Pacific Region*, London: Frank Cass, 82-110.

Bae, J. and Rowley, C. (2000) 'Globalization and Transformation in HRM: The Korean Case' *Working Paper*.

Bellah, R.N. (1967) *Tokugawa Religion: The Values Of Pre-Industrial Japan*, US: The Free Press.

Bamber, G. and Lansbury, R. (1998) 'An Introduction to International and Comparative Employment Relations', in G. Bamber and R. Lansbury (eds) *International and Comparative Employment Relations*, London: Sage, 1-33.

Becker, B. and Gerhart, B. (1996) 'The Impact of Human Resource Management on Organizational Performance: Progress and Prospects', *Academy of Management Journal*, 39 (4), 779-801.

Beardwell, I. (1997) 'HRM and Japan' in I. Beardwell and L. Holden. (eds.) *HRM: A Contemporary Perspective*, London: Pitman, 767-76.

Benson, J. and Debroux, P. (1998) 'HRM in Japanese Enterprises: Trends and Challenges' in C. Rowley (ed.) *HRM in the Asia Pacific Region*, London: Frank Cass, 62-81.

Benson, J. and Zhu, Y. (1999) 'Markets, Firms and Workers: The Transformation of HRM in Chinese State-owned Enterprises', *Human Resource Management Journal*, 9 (4): 58-74.

Brewster, C. (1994) 'European HRM: Reflection of, or Challenge to, the American Concept?' in P. Kirkbride (ed.) *HRM in Europe: Perspective for the 1990s.* London: Routledge, 56-89.

Briscoe, D. (1995) *International HRM*, London: Prentice Hall.

Chen, S. (1998) 'The Development of HRM Practices in Taiwan' in C. Rowley (ed) *HRM in the Asia Pacific Region*, London: Frank Cass, 152-169.

Child, J. (1981) 'Culture, Contingency and Capitalism in the Cross-National Study of Organizations', in L.L. Cummings and B.M. Staw (eds.) *Research in Organisational Behaviour*, Greenwich, CT: JAI Publishers.

Cronin, J.and Schneer, J. (1982) *Conflict and Political Order in Modern Britain*. London: Croom Helm.

Dowling, P. and Schuler, R. (1990) *International Dimensions of HRM*, Boston, MA: PWS-Kent.

Dowling, P., Schuler, R. and Welch, D. (1994, 2nd ed) *International Dimensions of HRM*, Belmont, CA: Wadsworth.

Dowling, P., Welch, D. and Schuler, R. (1999) *International HRM: Managing People in a Multinational Context*, Cincinnati, OH: South-Western College Publishing.

Economist, The (1999) 'A Survey of the Korea', 10th July, 1-16.

Economist, The (2000) 'Business in South Korea: Career Paths', 1st April, 69-70.

Erickson, C. and Kuruvilla. S. (1998) 'IR System Transformation', *Industrial and Labour Relations Review*, 52 (1), 3-21.

Evans, P. and Lorange (1989) 'The Two Logics Behind Human Resource Management' in P. Evans, Y. Doz and A. Laurent (eds) *HRM in International Firms*, London: Macmillan.

Fitzgerald, R. and Rowley, C. (1997) (eds.) *Human Resources and the Firm in International Perspective*, UK: Elgar.

Frenkel, S. (1995) 'Workplace Relations in the Global Corporation: A Comparative Analysis in Malaysia and Taiwan' in S. Frenkel and J. Harrod (eds.) *Industrialization and Labor Relations: Contemporary Research in Seven Countries*, Ithaca, NY: ILR Press, 179-215.

Gersick, C. (1991) 'Revolutionary Change Theories: A Multilevel Exploration of the Punctuated Equilibrium Paradigm', *Academy of Management Review*, 16 (1), 10-36.

Harbison, F. and Myers, C. (1959) (eds.) *Management in the Industrialized World*. NY: McGraw Hill.

Hofstede, G. (1980) *Culture's Consequences: International Differences in Work-Related Values*. London: Sage.

Hofstede, G. (1992) *Culture and Organisations: Software of the Mind*. London: Sage.

Hofstede, G. (1998) 'Organizational Culture' in M. Poole and M. Warner (eds.) *IEBM Handbook of HRM*, London: International Thomson Press, 237-55.

Horng, C. (1993) Cultural Differences, Trust and their Relationships to Business Strategy and Control', *Advances in International Comparative Management*, 38, 635-70.

Katz, H. (1997) 'Introduction' in H. Katz (ed.) *Telecommunications: Restructuring Work and Employment Relations Worldwide*, Ithaca, NY: ILR Press, 1-28.

Kerr, C. (1983) *The Future of Industrial Societies: Convergence or Continuing Diversity?* Cambridge, MA: Harvard University Press.

Kerr, C., Dunlop, J., Harbison, F., and Myers, C. (1960) *Industrialism and Industrial Man*. London: Heinemann.

Kim, D.O., Bae, J. and Lee, C. (2000) 'Globalization and Labour Rights: the Case of Korea', in C. Rowley and J. Benson

(eds.) *Globalisation and Labour in the Asia Pacific*, London: Cass.
Kirkbride, P., Lai, A. and Leggett, C. (1991) 'Perceptions of Labour Conciliation in Hong Kong and Singapore: A Comparative Replication' in C. Brewster and S. Tyson (eds.) *International Comparisons in HRM*. London: Pitman, 193-216.
Kogut, B. and Singh, H. (1986) 'The Effects of National Culture on the Choice of Entry Mode', *Journal of International Business Studies*, 19, 411-32.
Kostova, T. (1999) 'Transnational Transfer of Strategic Organizational Practices: A Contextual Perspective', *Academy of Management Review*, 24 (2), 308-24.
Lawrence, P.R. and Lorsch, .N. (1967) *Organization and Environment*. Cambridge, MA: Harvard University Press.
Lawler, J., Siengthai, S. and Atmiyanandana, V. (1998) 'HRM in Thailand: Eroding Traditions' in C. Rowley (ed.) *HRM in the Asia Pacific Region*, London: Frank Cass, 170-196.
Lawler, J. and Suttawet, C. (2000) 'Labour Unions, Globalization and Deregulation in Thailand' in C. Rowley and J. Benson (eds.) *Globalisation and Labour in the Asia Pacific*, London: Cass.
Locke, R. and Kochan, T. (1995) 'Conclusion: The Transformation of IR? A Cross-National Perspective of the Evidence' in R. Locke, . Kochan, T. and M. Piore (eds.) *Employment Relations in a Changing World Economy*, Cambridge, MA: MIT Press, 359-84.
MacDuffie, J.P. (1995) 'International Trends in Work Organization in the Auto Industry: National-Level vs Company-Level Perspectives' in K. Wever and L. Turner (eds.) *The Comparative Political Economy of IR*, Ithaca, NY: ILR Press, 71-113.
Maurice, M., Sellier, F. and Silvestre, J.J. (1986) *The Social Foundations of Industrial Power*, Cambridge, MA: MIT Press.
Morishima, M. (1995) 'Embedding HRM in a Social Context', *British Journal of Industrial Relations*, 33 (4), 617-640.
Nicholls, P. (1999) 'Content and Theory in Employee Relations' in G. Hollinshead, P. Nicholls and S. Tailby (eds.) *Employee Relations*, London: Pitman Press, 11-54.
Parker, M. and Slaughter, J. (1988) *Crossing Sides: Unions and the Team Concept*, Boston, MA: South End Press.
Parsons, T. (1951), *The Social System*, The Free Press.
Perlmutter, H.V. and Heenan, D.A. (1979) *Multinational Organization Development*, Addison-Wesley Longman.
Peters, T. and Waterman, R. (1982) *In Search of Excellence: Lessons from America's Best Run Companies*, London: Harper Row.
Pieper, R. (1990) (ed.) *HRM: An International Comparison*, Berlin: De Gruyter.
Poole, M. (1990) 'Editorial: HRM in a International Perspective', *International Journal of HRM*, 1 (1).
Rowley, C. (1998) (ed.) *HRM in the Asia Pacific Region*, London: Cass.
Rowley, C. and Lewis, M. (1996) 'Greater China at the Crossroads: Convergence, Culture and Competitiveness' *Asia Pacific Business Review*, 2 (3), 1-22.
Rowley, C. and Benson, J. (2000) (eds.) *Globalisation and Labour in the Asia Pacific*, London: Cass.
Salamon, M. (1997) *IR: Theory and Practice*, London: Prentice Hall.
Sano, Y. (1998) 'Organizational Culture' in M. Poole and M. Warner (eds.) *IEBM Handbook of HRM*, London: International Thomson Press, 404-11.
Scullion, H. (1995) 'International HRM' in J. Storey (ed.) *HRM: A Critical Text*, London: Routledge, 352-82.
Selznick, P. (1957) *Leadership in Administration: A Sociological Interpretation*, NY: Harper and Row.
Sparrow, P and Hiltrop, J.M. (1994) *European HRM in Transition*, London: Prentice Hall.
Storey, J. (1992) *Developments in the Management of Human Resources*, Oxford: Blackwell.
Storey, J. (1995) (ed.) 'HRM: Still Marching On, Or Marching Out?' *HRM: A Critical Text*, London: Routledge, 3-32.
Taira, K. (1990) 'From "Americanization" of Japan to "Japanization" of America in HRM/IR', *Paper presented at 43rd Annual Meeting of IRRA*.
Turner, L. and Auer, P. (1996) 'A Diversity of New Work Organization: Human-Centred, Lean and In-Between' in F.C. Deyo (ed.) Social *Reconstructions of the World Automobile Industry*, London: Macmillan, 233-57.
Warner, M. (1998) 'China's HRM in Transition: Towards Relative Convergence' in C. Rowley (ed.) *HRM in the Asia Pacific Region*, London: Frank Cass, 19-33.
Weber, M. (1930) *The Protestant Ethic And The Spirit Of Capitalism*, Allen & Unwin.
Weber, M. (1951) *The Religion Of China: Confucianism And Taoism*, Free Press.
Whitehill, A. (1991) *Japanese Management*, London: Routledge.
Whitley, R. (1992) *Business Systems in East Asia: Firms, Markets and Society*, London: Sage.
Womack, J. Jones, D and Roos, D. (1990) *The Machine That Changed The World*, NY: Rawson Associates.

Woodward, J. (1965) *Industrial Orgaisation*, Oxford: OUP.
Youndt, M.A., Snell, S.A., Dean J.W. and Lepak, D.P. (1996) 'HRM Manufacturing Strategy and Firm Performance', *Academy of Management Journal*, 39, 949-69.

Notes

[i] This was the hope that was expressed a decade ago in the editorial introducing the first issue of a now key HRM academic journal. The editor was optimistic that with regard to international HRM (IHRM) it was possible to '...establish the field as a social science discipline, in which theories and models are generated, and their propositions tested internationally by rigorous empirical research' (Poole, 1990:1). The subject area of IHRM deals with HRM issues and problems arising from the internationalisation of business and policies and practices pursued in response to the internationalisation process (Scullion, 1995). Three approaches to IHRM (Dowling *et al*., 1999) have been noted. The first explores aspects of HRM in multinational enterprises (MNEs). Much IHRM work focused unduly on only the areas of international staffing (selecting and managing expatriate managers) and management development. If IHRM is taken to mean simply managing people in international firms, then it will neglect many areas. Rather, a field could be built '...round a broader set of questions, which consider the lessons and outcomes for all stakeholders not just multinational firms and their managers' (Scullion, 1995: 376). Also, much was actually really written from American perspectives. Second, the focus is on cross-cultural management, where behaviour within organisations is examined from an international perspective. Third, comparative industrial relations (IR) and HRM – where attempts are made to describe, compare and analyse systems in various countries. The injection and integration of more comparative views, approaches and perspectives within IHRM can be useful. Such developments would help in providing more breadth and depth detail on IHRM, as well as in gaining a better grasp of 'normality' versus 'peculiarity' of HRM practices and systems. Greater use of such perspectives may have been useful in the early American dominated work on IHRM (and unfortunately some more recent, see Briscoe, 1995).
However, there are problems with some of these approaches (Sparrow and Hiltrop, 1994). First, IHRM may become a description of a variety of fragmented responses to a series of distinctive national problems. Second, by emphasising differences between doing business internationally versus nationally, writers tend to overly-focus on MNEs and overlook many continuing similarities between domestic and IHRM. Third, IHRM is not simply about the 'copying' of HRM practices as many of these practices suit national cultures and institutions without necessarily being transferable. Fourth, models of IHRM are problematic (see Brewster, 1994) partly because practices vary widely between nations and there are difficulties with data, such as shortage, comparisons and changes over time, language and meanings (Pieper, 1990).

[ii] This is an old and well debated area which has produced voluminous literature. This not really central to our paper other than to note that it often involves the levels of strategic quality, integration and lime management involvement.