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## Human resource management practices and affective organizational commitment: A comparison of Chinese employees in a state-owned enterprise and a joint venture

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*This study investigated influences on employee satisfaction with HRM systems and affective organizational commitment in a Sino-German joint venture and a state-owned enterprise in China. Employees in the joint venture were found to be significantly more satisfied with their organization's HRM practices than were employees in the state-owned enterprise. In turn, employee satisfaction with HRM practices was found to have a more significant influence on affective commitment in the joint venture than in the state-owned enterprise. The Chinese human-heartedness cultural value was found to be an antecedent of employee affective commitment but influenced satisfaction of employees in regards to only some of the HRM practices in a state-owned enterprise. Implications for strategic HRM theory and changes in Chinese HRM systems are discussed.*

**Keywords:** affective organizational commitment, China, HRM practices, personal values

Since the late 1970s when China started to implement its open-door policy, China has been in the middle of a dramatic transitioning process 'from an economy with heavy state intervention to one with a market orientation' (Bruton, Ahlstrom, and Chan 2000, 4). World Trade Organization membership has set a new deadline for China to increase organizational productivity and profitability in the face of fierce world competition. Being globally competitive requires that Chinese joint ventures and state-owned enterprises carefully combine modern industrial technologies with culturally integrated managerial systems of which human resource management (HRM) is critically important (Law, Tse, and Zhou 2003; Warner 2001).

There are three primary types of business organizations in China: state-owned enterprises (SOE), collectively ownership enterprises, and private

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companies (including Chinese private businesses, Sino-foreign joint ventures, and wholly owned foreign companies). With decentralization and privatization during recent years, external controls of state-owned enterprises have decreased, and the government's enterprise planning functions have diminished. While SOEs still play a major role in the country's economy – with 39% of the Chinese workforce being employed in the SOE sector (China Internet Information Center 2003) – SOEs are being pressured to adopt market-oriented policies and practices (Bjorkman and Lu 1999).

Sino-western equity joint ventures in China have separate legal status and the number and scale of operations of Sino-foreign joint ventures (JV) has increased rapidly during the past two decades (Bjorkman and Lu 2001). For foreign partners from western countries, JVs can facilitate the achievement of strategic goals such as lower costs, entering the Chinese market, enhancing competitiveness, or becoming familiar with the unique Chinese environment (Calantone and Zhao 2001). For Chinese partners, JVs can facilitate the transfer of foreign countries' advanced technologies and management expertise. Due to their special organizational structure that involves both Chinese and foreign partners, joint ventures pose a number of challenges for multinational partners concerning the extent to which their HRM practices should be adapted to local practices and Chinese culture (Bruton et al. 2000; Goodall and Warner 1999; Takeuchi, Wakabayashi, and Chen 2003). Even so, western-developed HRM practices have been implemented in China at an accelerating rate in Sino-foreign JVs and to a lesser extent, in SOEs and government organizations (Law, Tse and Zhou 2003).

Previous studies in western countries have identified that HRM practices are critical in enhancing firm performance and competitive advantage (Becker and Huselid 1998; Delery and Doty 1996). In particular, high-involvement HRM practices have a positive impact on organizational affective commitment which in turn, is positively related to firm performance (Iverson and Buttigieg 1999; Meyer and Smith 2000). While research on organizations in China have yielded similar findings, differences in the nature of relationships among HRM practices, organizational commitment, and firm performance attributable to China's mixed economy organizations and Chinese culture have also been identified (Chen and Francesco 2000; Law, Tse and Zhou 2003; Goodall and Warner 2001; Takeuchi, Wakabayashi and Chen 2003; Wong, Wong, Hui, and Law 2001). Thus, national culture and economic systems can be regarded as important contextual features that support the contingency perspective on HRM effectiveness (MacDuffie 1995; Youndt, Snell, Dean and Lepak 1996).

Bowen and Ostroff (2004) propose that 'strong' HRM systems that communicate unambiguous messages to employees about organizational strategic goals and appropriate employee behaviors create strong organizational climates that enhance firm performance. They also posit that psychological climates (individual-level perceptions) and organizational climate (shared perceptions) are mediators between the HRM–firm performance relationship.

These propositions have interesting implications for economies and organizations in transition where there is a mix of HRM practices that reflect both old and new national and organizational values and priorities. One implication is that there is a continuum of HRM system strength (consistency, consensus, and distinctiveness) along which organizations can be positioned in terms of implementing new strategic directions. In the context of China's transition to a market economy, JVs could be regarded as having stronger HRM systems in that they have more fully implemented market-oriented reforms in their HRM practices than have SOEs (Goodall and Warner 1999; Law, Tse and Zhou 2003). Although the mediating role of psychological climates has not been studied to date (Bowen and Ostroff 2004), one would expect a positive relationship between HRM system strength, employee attitudes towards HRM practices, and desired organizational outcomes. Thus, JV employees would be expected to be more satisfied with their organizations' HRM practices than would SOE employees. Whereas organizational affective commitment has been consistently identified as a desirable organizational outcome in western studies (Becker and Huselid 1998; Iverson and Buttigieg 1999; Meyer and Smith 2000), traditional Chinese values and 'iron rice bowl' retention-oriented HRM practices that engender high organizational commitment have also been identified as impediments to China's transition to a market economy (Bjorkman and Lu 1999; Bruton et al. 2000; Goodall and Warner 1999). There is also significant intra-cultural variation in Chinese values orientations as a result of recent political and socioeconomic changes in China (Ralston, Egri, Stewart, Terpstra, and Yu 1999). Together, these factors suggest important cultural and economic contingencies in China that can provide further insights into the interrelationships between the nature and content of HRM systems and organizational outcomes such as affective commitment (Bowen and Ostroff 2004).

In this paper, we report on an investigation of the interrelationships among cultural values, HRM practices, and affective commitment of line-workers and supervisors in a Sino-German JV and an SOE located in the same city in China. The remainder of the paper is organized as follows. In the next section, we review the literature on the influence of Chinese cultural values on employee satisfaction with HRM practices and affective commitment, as well as the influence of HRM practices on affective commitment to develop hypotheses. Then we present the research methods and results of the study. We conclude with a discussion of results and the implications of this study's findings for future research and managerial practice.

## **Theory and hypotheses**

### **Chinese cultural values and HRM practices**

Cross-cultural management research suggests that national culture values are influential in the development and effectiveness of HRM practices (Sparrow

and Wu 1998; Thomas 2002; Tsang 1994). Traditional Chinese cultural values include: Confucian work dynamism (respect for social hierarchy and future-orientation vs. personal steadiness and tradition-orientation); human-heartedness (kindness, patience, forgiveness, and courtesy); integration (tolerance, harmony and solidarity); and moral discipline (moderation, keeping oneself disinterested and pure, having few desires) (Chinese Culture Connection 1987; Hofstede and Bond 1988). These cultural values were embodied in pre-reform Chinese SOE management practices that featured life-long job security, seniority-based promotion and wage increases, and extensive in-company welfare programs that included company housing, schooling, medical care, in-house cultural and athletic activities (Goodall and Warner 1999; Takeuchi, Wakabayashi and Chen 2003; Wong, Ngo and Wong 2002). While 'iron rice bowl' employment systems have engendered high work loyalty and workforce stability, they have also been regarded as ill-suited for China's transition to a market economy (Bjorkman and Lu 1999; Bruton et al. 2000).

Since the early 1990s, Chinese organizations have significantly reformed their recruitment, wage and reward systems, and social security programs to be more in alignment with western-developed work practices (Ding and Warner 1999). Many of these reforms have been consistent with high performance HRM practices to enhance employee skills (extensive recruitment and selection procedures, training and development), employee motivation (performance-contingent compensation and promotion), and work restructuring (employee involvement systems, team-based production systems) (Huselid 1995). As found by Goodall and Warner (1999), SOEs have adopted a hybrid model of HRM practices that incorporate both pre-reform *danwei* practices (social welfare insurance, bureaucratic personnel departments) and market-oriented practices (individual and collective employment contracts, performance-based reward systems, strategic HRM departments). However, SOE market-oriented reforms are less developed than those in JVs which have more fully integrated western high-performance HRM practices into their management systems (Bjorkman and Lu 1999; Goodall and Warner 1999).

Bae and Lawler (2000) found that individualistic high-performance HRM strategies were related to the effectiveness of organizations in traditional collectivistic and hierarchical Asian cultures such as Korea. However, the adoption of HRM practices that reflect the cultural values of western countries is counter to recommendations that HRM practices should be congruent with the cultural work values of employees in various countries (Pelled and Xin 1997). Although it has been observed that Chinese cultural values orientations are changing, with more recent generations being less traditional than previous generations (Ralston et al. 1999), the degree of congruence between individualistic western-developed HRM practices and traditional Chinese values is important for understanding differences in employees' attitudes towards HRM practices (Sparrow and Wu 1998). Thus, we expect that employees with more traditional Chinese values orientations would be relatively more satisfied with

SOE HRM practices that more closely reflect those values, and would be less relatively satisfied with more individualistic JV HRM practices.

*Hypothesis 1:* Chinese employees who attribute higher importance to traditional Chinese values are relatively more satisfied with more traditional Chinese HRM practices (SOE) than with western-developed HRM practices (JV).

### **Affective organizational commitment**

Organizational commitment or the attachment of employees to their organizations is a multidimensional construct (Meyer and Allen 1997) comprised of three components: affective commitment (emotional attachment, loyalty, identification and involvement with an organization), continuance commitment (turnover intentions), and normative commitment (feelings of obligation to an organization). Of these three components, affective commitment has been found to be the most consistent and strongest predictor of positive organizational outcomes. High organizational commitment is associated with decreased turnover intentions, employee experienced burnout, and absenteeism as well as increased extra-role behaviors, acceptance of change, innovation, and flexibility (Iverson 1996; Iverson and Buttigieg 1999; Mathieu and Zajac 1990; Morris, Lydka, and O’Creedy 1998; Sommers, Bae, and Luthans 1996; Wasti 2003). High organizational commitment also contributes to higher productivity and competitive advantage for an organization (Deery and Iverson 1996; Morris, Lydka and O’Creedy 1998).

Iverson and Buttigieg (1999) identified three types of antecedents to organizational commitment: personal (job expectations, job values, organizational tenure, and work motivation); job related (co-worker support, job security, promotional opportunities, pay and management receptiveness); and environmental (job opportunities). Other important influences on organizational commitment are job satisfaction (Deery and Iverson 1996), and personal values (Elizur and Koslowsky 2001; Putti, Aryee, and Liang 1989; Wasti 2003).

Consistent with US studies, Sommers, Bae and Luthans (1996) found that Korean employees’ position, position tenure, and age were all positively related to organizational commitment. Wong, Ngo, and Wong’s (2002) study of Chinese joint venture employees found that distributive and procedural justice as well as perceived job security were antecedents (mediated by trust in organization) of affective commitment which, in turn, had a direct effect on turnover intention. However, Meek’s (1999) finding that unhappy Japanese employees can be highly loyal to a company suggests cultural differences in the relationship between affective commitment and job satisfaction. While western studies have found that job satisfaction has a direct effect on organizational commitment and turnover intention, Wong et al. (2001) found that organizational commitment was a predictor of both job satisfaction and turnover intentions

for Chinese managerial and technical employees. The demographic antecedents of organizational commitment may also be different for employees in China than for those in western countries. Chen and Francesco (2000) found that the only significant influence on Chinese employees' organizational commitment was hierarchical position level, whereas western studies have found that age, tenure, and education are also positively related to organizational commitment. These differences were attributed to the influence of traditional Chinese cultural values such as personalism and *guanxi* (personal relationships).

In sum, Chinese cultural values that emphasize the importance of in-group harmony, reciprocity, and loyalty have been found to be predictive of affective commitment (Wong, Ngo and Wong 2002). Thus, we propose that employees who attribute higher importance to traditional Chinese values (integration, Confucian work dynamism, human-heartedness, and moral discipline) would also have a higher level of affective commitment to their organizations.

*Hypothesis 2:* Employee affective commitment is positively related to the importance attributed to traditional Chinese values.

### **Human resource management practices and affective commitment**

The influence of HRM practices on employee organizational commitment, especially affective commitment, has been studied extensively (Meyer and Allen 1997). Organizational commitment is enhanced by high-involvement HRM practices relating to selective staffing procedures, performance appraisal, rewards and benefits, training and career development, and job security (Chang and Chen 2002; Iverson and Buttigieg 1999; Meyer and Smith 2000; Whitener 2001; Wimalasiri 1995; Wong et al. 2002). Further, the influence of HRM practices on affective commitment is more strongly and positively related to desirable work behaviors than other types of organizational commitment (Iverson and Buttigieg 1999; Meyer and Allen 1997).

The positive relationship between organizational commitment and satisfaction with HRM practices can be explained by social exchange theory (Blau 1964; Witt, Kacmar, and Andrews 2001) which posits that individuals and organizations enter into exchange relationships in which the provision of benefits between parties creates obligations to reciprocate. For example, organizations that provide high assurances of job security invoke a reciprocal employee attitudinal and behavioral commitment to the organization (Wong et al. 2002). Similarly, the provision of training and development communicates an organization's long-term commitment to enhance individual employee skills and abilities (Huselid 1995). While working conditions may not enhance employee commitment, dissatisfaction with this hygiene factor (Herzberg 1968) is expected to have a negative effect on employee commitment.

Employee satisfaction with HRM practices is more strongly related to

organizational commitment than employee demographic or job characteristics (Ogilvie 1986). In China, high levels of organizational commitment are attributed to the continued use of retention-oriented HRM practices such as long-term job security and corporate welfarism (Takeuchi, Wakabayashi and Chen 2003). Thus, we expect a positive relationship between satisfaction with HRM practices and affective organizational commitment.

*Hypothesis 3:* Employee satisfaction with HRM practices is positively related to affective organizational commitment.

The strategic HRM approach proposes that it is the combination of practices in internally consistent 'bundles' rather than individual practices that shape the pattern of interactions between managers and employees (MacDuffie 1995). Further, integrative HRM systems that have individual HRM practices aligned with each other (high internal fit) as well as with organizational strategy and goals (high external fit) have greater influence on organizational performance than individual HRM practices or less integrative HRM systems (Bamberger and Meshoulam 2000; Bowen and Ostroff 2004; Lundy and Cowling 1996).

Empirical research has shown that the internal consistency of HRM systems has an additive effect on firm performance (Bae and Lawler 2000; Chang and Chen 2002; Ichniowski, Shaw, and Prenzushi 1997; MacDuffie 1995) and employee commitment (Arthur 1994; Chang and Chen 2002). As well, the external fit between HRM systems and organizational strategies is positively related to firm performance (Bae and Lawler 2000; Chang and Chen 2002; Delery and Doty 1996). Although HRM systems' internal and external fit were not found to be significant factors by Delaney and Huselid (1996) and Huselid (1995), there is substantial evidence confirming this aspect of strategic HRM theory. Psychological contract theory also suggests that HR practices need to be in alignment with business strategy as well as internally congruent so that conflicting messages are not sent to employees (Bowen and Ostroff 2004; Rousseau and Greller 1994).

In respect to China's transition to a market-oriented economy, the hybrid HRM systems evident in SOEs are less internally consistent and strategically aligned with new market-oriented objectives than are HRM systems in JVs (Bjorkman and Lu 1999; Goodall and Warner 1999). Law, Tse and Zhou (2003) found that the strategic role of HRM departments was positively related to firm financial performance in JVs but not in the more traditional personnel departments in SOEs or collectives. They concluded that the incremental introduction of western high-performance HRM practices in SOEs has been ineffectual and that radical changes such as a change in ownership structure as well as performance-based compensation systems are needed to enhance firm performance. Extending from previous research that has found a positive relationship between organizational commitment and firm performance (Deery



and Iverson 1996; Morris, Lydka and O’Creevy 1998), we propose that the more internally consistent and strategic HRM systems in JVs would have a stronger additive effect on employee affective commitment than the less integrative, hybrid Chinese-western HRM systems that are characteristic of SOEs.

*Hypothesis 4:* The internal consistency and strategic alignment of HRM practices will be positively related to employee affective commitment.

## Organizations in the study

We studied the attitudes of samples of line-workers and supervisors employed in factory workshops of a Chinese SOE and a Sino-German JV. The SOE is a very large auto manufacturing organization founded in the early 1950s and the JV is affiliated with the same SOE industry group. During the past decade, German direct investment in China ranked third of non-Asian countries (after the US and Canada), with Sino-German joint ventures being dominant in the auto manufacturing sector (China Internet Information Center 2003; Parnell 2002). The joint venture contract was signed in early 1990 and the new factory entered into full production capacity in 1996. The Chinese SOE partner has 51% equity ownership in the joint venture and the German partner 49%. Although the HRM managers are from the Chinese partner, a German HRM approach has been used in the JV from the beginning.

As related by organizational management, the SOE had been losing highly competent employees to the JV due to the large difference in employee wages and benefits between the two organizations. In order to attract and keep critical skilled employees, the SOE decided to reform its human resource management system in 2000. For employees in the SOE, the primary changes in the HRM system have been concerned with employee recruitment, performance appraisal, and compensation practices. Responsibility for employee hiring decisions has been decentralized to the branch level and employees are now on three-year renewable contracts. Formal employee appraisals have been introduced to the SOE and their job performance is linked to bonus pay. Under the old HRM system, employee tenure and position level were the primary factors in determining a worker’s wage/salary level and there were small wage/salary level differentials. The new compensation system has significantly increased the amount of total pay and has substantially enlarged wage/salary level differentials (36 job levels compared to 8 levels before). In addition, bonus pay rates are based on job level, and monthly and year-end bonuses are based on company profits. However, training and development, job security and working conditions have remained relatively unchanged in the new HRM system. In general, the new SOE HRM system is characteristic of the hybrid model of traditional Chinese and western HRM practices (Bjorkman and Lu 1999; Goodall and Warner 1999).

In contrast, the HRM system at the JV reflects the influence of its German partner. Responsibility for employee recruitment practices is at the JV level and job applicants are required to take numerous pre-employment tests. The JV's performance appraisal program provides for extensive evaluations (self, peer, and supervisor) on a variety of dimensions (task, attitudes, and relationships). In addition, the results of these evaluations are directly tied to job promotion and bonus pay outcomes. The German HRM emphasis on employee training (Muller 1999) is evident in the extensive in-house and external training programs for employees. JV workers' base income level is significantly greater than that of their SOE counterparts and employee bonus pay is based on individual performance and organizational production and profits. The lower guarantee of job security in the JV is balanced by the growth in their workforce. In total, the HRM system at the JV has a strong individualistic orientation while incorporating several high-involvement work practices that are usually found in western organizations (Bjorkman and Lu 2001; Goodall and Warner 1999; Smith and Wang 1997). A summary comparison of the HRM systems at the SOE (prior to 2000 and 2000 to present) and the JV is provided in table 1.

## Methodology

### Sample

A total of 113 line-workers and supervisors employed in manufacturing workshops in China participated in the study. For the JV workshop sample, there were 49 workers and 11 supervisors (66% response rate). For the SOE workshop sample, there were 48 workers and 5 supervisors (89% response rate).

### Data collection

Surveys were distributed and collected by the two workshop managers in the JV and SOE organizations in 2002. Survey questionnaire instructions assured participants of the confidentiality and anonymity of their responses. Respondents were instructed not to sign their names on the survey, to put completed questionnaires into the attached self-addressed envelopes, and to seal the envelopes. Inspection of the returned survey envelopes showed that no seals had been broken or tampered with. Information regarding HRM system characteristics was obtained through telephone interviews and e-mail communication with organization managers as well as examination of the companies' websites.

### Measures

The survey questionnaire consisted of three sections: respondents' affective organizational commitment, attitudes towards their organization's HRM

practices, and overall job satisfaction; the importance of Chinese cultural values; personal and work-related demographic data. The original Chinese-language Chinese Value Survey was used in the questionnaire (Chinese Culture Connection 1987). The remainder of the survey questionnaire was developed in English, translated into Chinese, and then back-translated into English by an independent research associate. Managers in the JV and the SOE were consulted during the questionnaire development process as to the appropriateness of the overall questionnaire content, and for the pilot test of the final Chinese language version of the questionnaire.

### Attitudes

Respondents' affective commitment towards their organizations was measured using Allen and Meyer's (1990) 3-item affective commitment scale (5-point Likert-type scale with 1 = strongly disagree to 5 = strongly agree). A factor analysis using varimax rotation confirmed that the three affective commitment items loaded on to one factor (77% variance explained; Cronbach  $\alpha = 0.90$ ).

A global measure of job satisfaction (Davidson 1979) was obtained by asking respondents the extent to which they agreed with the statement 'Overall, I feel very satisfied with my job at (company name)' (using a 5-point Likert-type scale with 1 = strongly disagree to 5 = strongly agree).

Respondents' satisfaction with various HRM practices in their organizations was measured using 5-point Likert-type scale items adapted from Patchen's (1965) and Davidson's (1979) employee attitude surveys. The 28 HRM practices items were first factor analyzed with varimax rotation to confirm their factor structures. Given Nunnally's (1978) recommendation of a 10:1 ratio of observations to items, we conducted separate factor analyses for three groups of items corresponding with Huselid's (1995) categorization of HRM practices into those that influence: employees' abilities (recruitment practices; performance management and training practices); employee motivation (compensation practices, job security, and working conditions).

The factor analysis for the nine recruitment practices items showed two factors consisting of: six employee selection practices items (47% variance explained;  $\alpha = 0.87$ ); and three general recruitment items (17% variance;  $\alpha = 0.72$ ). The factor analysis for the 10 items relating performance management and training practices revealed two factors. The four training practices items loaded on to the first factor (37% variance explained), four of the six performance management items loaded on to the second factor (17% variance explained), and two performance management items loaded on to both factors. Based on these analyses, we developed separate scales for training and development practices (4 items,  $\alpha = 0.68$ ), and for performance management practices (4 items;  $\alpha = 0.74$ ). The factor analysis for the nine employee motivation items revealed two factors. The first factor consisted of four compensation items and two job security items (55% variance explained; 6 items,  $\alpha =$

Table 1 Summary comparison of HRM practices at the state-owned enterprise and joint venture

	State-owned enterprise		Joint venture
	Prior to 2000	2000 to present	1996 to present
<b>Employee recruitment and selection practices</b>			
Responsibility for review of applications	Manufacturing group level	Branch level	JV level
Openness regarding hiring requirements	Low	High	High
Sources of applications			
– Direct from technical training school	Majority	Majority	100%
– Direct from external market	None	Only temporary workers	Only temporary workers
– Personal references	Possible	None	None
Employment interviews	None	Workshop manager and branch HR manager	Workshop manager and branch HR manager
Pre-employment tests	Physical examinations	Physical examinations	Technical safety and processing knowledge tests
Employment contracts	None	3 year renewable contracts for all regular employees	Renewable contracts for all regular employees
Formal new employee orientation	One day informal workshop orientation	One day informal workshop orientation	One day formal group orientation
Responsibility for final hiring decision	Group level HR department	Branch level group decision	JV level group decision
New employee probation	6 month probation period Required technical exam	6 month probation period Required technical exam	3 month probation period Required technical test
<b>Training and development practices</b>			
In-house training	Apprenticeship only – no formal training courses	Irregular formal training courses	New employee trng. (100%) 1–2 day training (100%)
External training	By application Take tests to qualify Very few opportunities	By application Take tests to qualify Very few opportunities	2 week trng. in China (10%) 1–3 month courses in Germany (10%)

Table 1 (continued) Summary comparison of HRM practices at the state-owned enterprise and joint venture

	State-owned enterprise		Joint venture
	Prior to 2000	2000 to present	1996 to present
<b>Performance management practices</b>			
Type of evaluations	No formal performance reviews	Annual standardized written tests Work quality and quantity	Annual standard written tests Self, peer, and supervisor evaluations Informal appraisal interviews with manager
Scope of evaluations	N/A	Task performance Employee attendance	Task performance Employee attitude, learning, interpersonal relationships
Evaluation outcomes	N/A	Remain in current position Bonus amount (full or lesser amount)	Job promotion Extra bonus pay (10–20%)
<b>Compensation and benefits</b>			
Average monthly income (workers)	RMB 700–800	RMB 700–3000	RMB 3000–4000
Compensation components	Fixed base (8 levels) Monthly and year-end bonuses based on company profits	Fixed base (36 levels) Monthly and year-end bonuses based on company profits Bonus pay rates based on job level	Fixed base (10 levels) Performance bonus based on company production Profit bonus based on previous month's profits Individual performance
Benefits	Free apartment housing Free daycare Free heating Free medical benefits Pension plan	Housing subsidies Free daycare Free heating Free medical benefits Pension plan	Housing subsidies Free daycare Free heating Free medical benefits Pension plan
<b>Job security</b>			
– Annual increase in workforce	0	Almost 0	5%–10%
– Turnover rate	0	0	Less than 10%
– Can fire unqualified workers	No	Yes (not practiced)	Yes (practiced)

0.87), whereas the second factor consisted of the three working conditions items (16% variance explained; 3 items,  $\alpha = 0.78$ ).

We also conducted a factor analysis using the six HRM practices scales to explore the appropriateness of a summary HRM practices scale. A two-factor solution was identified with the compensation/job security and working conditions scales loading on to the first factor (43% variance explained;  $\alpha = 0.69$ ), recruitment and performance management practices scales loading on to the second factor (21% variance explained;  $\alpha = 0.63$ ). The recruitment and training practices scales loaded on to both factors. These results suggested that a summary HRM scale should not be constructed, thus separate HRM practices scales were retained for analyses. The items in the revised HRM practices scales are provided in the appendix.

## Values

The Chinese Culture Connection's (1987) 40-item Chinese Values Survey (CVS) instrument was used to measure the importance that participants attributed to four types of Chinese values (7-point Likert-type scale with 1 = very unimportant to 7 = very important). As identified by the Chinese Culture Connection, CVS scale items that negatively loaded on to each CVS scale were reverse coded. Due to sample size considerations (Nunnally 1978), we conducted independent factor analyses for each CVS scale. The 11 integration scale items loaded onto five factors ( $\alpha = 0.46$ ), whereas the five moral discipline scale items loaded on to three factors ( $\alpha = 0.30$ ). The factor analysis and scale reliability test results indicated that the use of these two CVS scales were not appropriate for this sample.

The factor analysis results for the 8-item Confucian work dynamism scale showed that seven items loaded on to one factor (31% variance explained) while one item ('saving face') loaded on to a second factor (16% variance explained). For the 5-item human-heartedness scale, the factor analysis showed a one-factor solution (22% variance explained) consisting of four items (excluding 'patriotism'). Based on these factor analyses, we revised the Confucian work dynamism (7 items,  $\alpha = 0.68$ ) and human-heartedness (4 items,  $\alpha = 0.67$ ) scales for this study (revised scale items are in the appendix).

## Demographic characteristics

Respondents were asked personal background information regarding: age (in 5-year categories), gender (1 = male, 2 = female), education level (1 = less than high school graduation, 2 = high school graduation, 3 = technical school graduate, 4 = college diploma, 5 = bachelor degree, 6 = masters degree or higher), and marital status (1 = married, 2 = other). Respondents were asked work-related information regarding: position level (1 = line supervisor, 2 = line worker); company tenure (years employed); and annual base wage rate

excluding bonuses and benefits (1 = less than 1000 RMB, 2 = 1000–2000 RMB, 3 = 2000–3000 RMB, 4 = 3000–4000 RMB, 5 = more than 4000 RMB).

## Results

The descriptive statistics and correlations for study variables are presented in table 2. In respect to demographic characteristics, the SOE sample was significantly older ( $r = 0.58$ ,  $p < 0.001$ ), had more females ( $r = 0.68$ ,  $p < 0.001$ ), lower education level ( $r = -0.28$ ,  $p < 0.01$ ), and was more likely to be married ( $r = -0.32$ ,  $p < 0.001$ ) than the JV sample. In respect to work-related characteristics, the JV sample had a higher annual base wage ( $r = -0.69$ ,  $p < 0.001$ ).

The correlation results indicated no significant organization differences for affective commitment ( $r = -0.18$ ), but that JV respondents had significantly higher job satisfaction ( $r = -0.21$ ,  $p < 0.05$ ). Affective commitment was highly correlated with job satisfaction ( $r = 0.71$ ,  $p < 0.001$ ) and both variables had similar relationships with other variables in the study. In respect to HRM practices, affective commitment and job satisfaction were significantly and positively related to satisfaction with: recruitment practices (respectively,  $r = 0.36$ ,  $p < 0.001$ ;  $r = 0.24$ ,  $p < 0.01$ ); employee selection practices (respectively,  $r = 0.26$ ,  $p < 0.01$ ;  $r = 0.39$ ,  $p < 0.001$ ); performance management practices (respectively,  $r = 0.28$ ,  $p < 0.01$ ;  $r = 0.23$ ,  $p < 0.05$ ); training practices (respectively,  $r = 0.25$ ,  $p < 0.01$ ;  $r = 0.21$ ,  $p < 0.05$ ); compensation/job security (respectively,  $r = 0.37$ ,  $r = 0.40$ , both at  $p < 0.001$ ); and working conditions (respectively,  $r = 0.28$ ,  $p < 0.01$ ;  $r = 0.38$ ,  $p < 0.001$ ).

In respect to personal values orientations, the correlation analysis showed that Confucian work dynamism was not related to either affective commitment ( $r = 0.10$ ) or to job satisfaction ( $r = 0.09$ ). However, human-heartedness was positively related to affective commitment ( $r = 0.28$ ,  $p < 0.01$ ) as well as job satisfaction ( $r = 0.24$ ,  $p < 0.05$ ). Confucian work dynamism was attributed higher importance by SOE respondents ( $r = 0.22$ ,  $p < 0.05$ ), females ( $r = 0.24$ ,  $p < 0.05$ ), and those at lower wage levels ( $r = -0.21$ ,  $p < 0.0 < 0.05$ ). The importance of human-heartedness was not significantly related to respondent organization, demographic or work-related characteristics.

### Influences on employee satisfaction with HRM practices

The correlation results indicated no significant organization differences in satisfaction with employee selection ( $r = 0.04$ ), performance management ( $r = -0.04$ ), and training ( $r = -0.01$ ) practices. However, JV respondents were more satisfied with their organization's recruitment practices ( $r = -0.28$ ,  $p < 0.01$ ), compensation/job security ( $r = -0.48$ ,  $p < 0.001$ ) and working conditions ( $r = -0.66$ ,  $p < 0.001$ ).

To test hypothesis 1 which proposed that employees who attributed higher importance to traditional Chinese values would be relatively more satisfied

Table 2 Descriptive statistics and correlation matrix<sup>a</sup>

Variables <sup>b</sup>	Mean	SD	Range	1	2	3	4	5	6	7	8	9
1. Organization	.47	.50	0–1									
2. Affective commitment	3.99	.70	1–5	-.18								
3. Job satisfaction	3.95	.77	1–5	-.21	.71							
4. Recruitment	3.42	.80	1–5	-.28	.36	.24						
5. Employee selection	3.72	.67	1–5	.04	.26	.39	.37					
6. Performance mgmt.	3.76	.55	1–5	-.04	.28	.23	.35	.47				
7. Training	3.73	.64	1–5	-.01	.25	.21	.49	.25	.25			
8. Compensation/Job security	3.10	.87	1–5	-.48	.37	.40	.44	.18	.16	.31		
9. Working conditions	3.24	.99	1–5	-.66	.28	.38	.44	.15	.09	.21	.53	
10. Confucian dynamism	5.64	.72	1–7	.22	.10	.09	-.05	.02	.18	.05	.05	-.18
11. Human-heartedness	6.00	.69	1–7	-.10	.28	.24	.07	.08	.24	.20	.18	.09
12. Age	3.73	1.20	1–8	.58	-.20	-.23	-.24	-.10	-.13	.10	-.22	-.33
13. Gender	1.34	.48	1–2	.68	-.05	-.17	-.28	-.05	-.02	-.08	-.33	-.40
14. Education	3.00	.98	1–6	-.28	.08	.00	-.15	.04	.14	-.11	.19	.16
15. Marital status	1.33	.47	1–2	-.32	.14	.25	.25	.08	.12	-.12	.13	.25
16. Position level	1.69	.74	1–2	.13	.01	-.03	.13	.02	.06	-.07	.01	.11
17. Wage level	1.79	1.06	1–5	-.69	.07	.07	-.69	-.17	-.00	-.01	.32	.41

a N = 113. Correlations with absolute values .30 or greater are significant at the .001 level, .25 and greater are significant at the .01 level; .19 and greater are significant at the .05 level, and .16 and greater are significant at .10 level (all two-tailed tests).

b Categorical variables coded as follows: organization: 0 = joint venture, 1 = state-owned enterprise; gender: 1 = male, 2 = female; education level: 1 = less than high school graduation, 2 = high school graduation, 3 = technical school graduate, 4 = college diploma, 5 = bachelor degree, 6 = masters degree or higher; marital status: 1 = married, 2 = other; position level: 1 = line worker, 2 = supervisor.



Table 2 (continued) Descriptive statistics and correlation matrix<sup>a</sup>

Variables <sup>b</sup>	10	11	12	13	14	15	16
10. Confucian dynamism							
11. Human-heartedness	.57						
12. Age	.04	-.16					
13. Gender	.24	-.04	.28				
14. Education	-.09	.09	-.34	-.10			
15. Marital status	-.07	.05	-.40	-.22	.04		
16. Position level	.07	.00	-.13	.24	-.11	.12	
17. Wage level	-.21	.00	-.31	-.48	.36	.16	-.25

a N = 113. Correlations with absolute values .30 or greater are significant at the .001 level, .25 and greater are significant at the .01 level; .19 and greater are significant at the .05 level, and .16 and greater are significant at .10 level (all two-tailed tests).

b Categorical variables coded as follows: organization: 0 = joint venture, 1 = state-owned enterprise; gender: 1 = male, 2 = female; education level: 1 = less than high school graduation, 2 = high school graduation, 3 = technical school graduate, 4 = college diploma, 5 = bachelor degree, 6 = masters degree or higher; marital status: 1 = married, 2 = other; position level: 1 = line worker, 2 = supervisor.

with more traditional Chinese HRM practices (SOE) than with more individualistic HRM practices (JV), we conducted separate sets of regression analyses for JV and SOE participants. In these analyses, the dependent variables were the six types of HRM practices, the independent variables were Confucian work dynamism and human-heartedness values, and the covariates were participant age, gender, education level, marital status, position level, and annual base wage.

As shown in table 3, Confucian work dynamism and human-heartedness values did not have a significant influence on JV participants' satisfaction towards their organization's HRM practices. For SOE participants, human-heartedness was positively related to satisfaction with employee selection practices ( $\beta = 0.24$ ,  $p < 0.10$ ) and training practices ( $\beta = 0.34$ ,  $p < 0.05$ ), and Confucian work dynamism was negatively related with satisfaction with working conditions ( $\beta = -0.34$ ,  $p < 0.05$ ). Thus, hypothesis 1 was supported only in that SOE participants who attributed higher importance to human-heartedness had higher satisfaction with their organization's more traditional employee selection and training practices. However, hypothesis 1 was not supported in that traditional Chinese values did not have a significant relationship with JV participants' satisfaction with HRM practices or SOE participants' satisfaction with recruitment, performance management and compensation/job security practices. Further, SOE participants who attributed lower importance to Confucian work dynamism were less satisfied with their organization's working conditions. In sum, hypothesis 1 was not supported.

The regression results suggest that employee satisfaction with HRM practices is more influenced by demographic and work-related factors. For JV

Table 3 Influences on satisfaction with HRM practices<sup>a</sup>

	Recruitment	Employee selection	Performance management	Training	Compensation/ job security	Working conditions
<i>Joint venture</i>						
Confucian dynamism	.04	-.08	.18	-.10	.18	.18
Human-heartedness	.02	-.06	.09	.16	-.02	-.11
Age	-.36*	-.38*	.08	-.05	-.10	.01
Gender	-.31*	-.23+	-.14	-.19	-.17	-.02
Marital status	.24+	.24+	.06	.38*	.28+	.04
Education	-.13	-.21	-.07	-.12	.01	-.06
Position level	-.02	-.03	.17	.15	.04	-.04
Wage level	.01	-.19	-.04	.00	-.03	-.16
Adjusted R <sup>2</sup>	.13	.15	.00	.03	.00	.00
F	2.07+	2.26*	.87	1.23	.65	.40
<i>State-owned enterprise</i>						
Confucian dynamism	-.27	-.08	.00	-.09	.20	-.34*
Human-heartedness	.18	.24+	.18	.34*	.07	.21
Age	-.08	.06	-.11	.03	.31*	.21
Gender	-.06	-.14	-.04	-.01	-.11	.23
Marital status	.32*	-.23+	-.24+	-.03	-.25+	-.13
Education	.21	.33*	.25+	-.16	.18	.06
Position level	-.05	.02	-.08	-.22	.33*	-.13
Wage level	.37**	.17	.24+	.22	.14	.18
Adjusted R <sup>2</sup>	.20	.14	.18	.10	.12	.06
F	2.54*	2.05+	2.41*	1.75	1.91+	1.41
a Standardized regression coefficients are reported. Joint venture N = 60, State-owned enterprise N = 53. + p < .10 * p < .05 ** p < .01 *** p < .001						

participants, satisfaction with recruitment and employee selection practices was higher for those who were younger (respectively,  $\beta = -0.36$ ,  $\beta = -0.38$ , both at  $p < 0.05$ ) and male (respectively,  $\beta = -0.31$ ,  $p < 0.05$ ;  $\beta = -0.23$ ,  $p < 0.10$ ). Married JV participants were significantly less satisfied with their organization's recruitment ( $\beta = 0.24$ ,  $p < 0.10$ ), employee selection ( $\beta = 0.24$ ,  $p < 0.10$ ), training ( $\beta = 0.38$ ,  $p < 0.05$ ) and compensation/job security ( $\beta = 0.28$ ,  $p < 0.10$ ) practices than were unmarried JV participants. Married SOE participants were less satisfied with their organization's recruitment practices ( $\beta = 0.24$ ,  $p < 0.10$ ), but were more satisfied with employee selection ( $\beta = -0.23$ ,  $p < 0.10$ ), performance management ( $\beta = -0.24$ ,  $p < 0.10$ ), and compensation/job security ( $\beta = -0.25$ ,  $p < 0.10$ ) practices than were unmarried SOE participants. Education level was positively related to SOE participant satisfaction with employee

selection ( $\beta = 0.33$ ,  $p < 0.05$ ) and performance management ( $\beta = 0.25$ ,  $p < 0.10$ ) practices. SOE supervisors were more satisfied with compensation/job security practices than were SOE line-workers ( $\beta = 0.33$ ,  $p < 0.05$ ). And finally, SOE participants at higher wage levels were more satisfied with recruitment ( $\beta = 0.37$ ,  $p < 0.01$ ) and performance management ( $\beta = 0.24$ ,  $p < 0.10$ ) practices.

### Influences on affective commitment

Given sample size considerations, our analysis to test hypotheses regarding influences on affective commitment was conducted in two stages. First, linear regressions were conducted to determine whether demographic and work-related characteristics had a significant influence on affective commitment. Variables that were significant in these regressions would then be included as controls in the hierarchical regression analyses to test hypotheses concerning the influence of cultural values and HRM practices on affective commitment.

Table 4 shows the results of the regressions to determine the influence of demographic (age, gender, education, and marital status) and work-related (position level and wage level) on affective commitment for JV (model 1) and SOE (model 2) participants. Given the demographic and work-related differences between the JV and SOE samples, the organization dummy variable was also included in a regression for the total sample (model 3). These analyses showed that none of the demographic or work-related variables had a significant relationship with affective commitment and thus could be excluded from the hierarchical regression analyses.

Table 4 Influences on affective organizational commitment: Demographic and work-related characteristics<sup>a</sup>

Variables	JV Model 1	SOE Model 2	Total Model 3
Age	-.11	.00	-.09
Gender	-.18	.17	.10
Education	-.18	.20	.02
Marital status	.03	.03	.07
Position level	-.10	.05	-.03
Wage level	-.06	.19	-.09
Organization			-.22
Adjusted R <sup>2</sup>	.01	.04	.00
F	.41	1.38	.92
N	60	53	113

a Standardized regression coefficients are reported.

\*  $p < .05$  \*\*  $p < .01$  \*\*\*  $p < .001$

Regression analyses were conducted to test hypotheses regarding the positive influence of cultural values (hypothesis 2) and HRM practices (hypothesis 3) on affective commitment. Separate hierarchical regressions were conducted for JV and SOE participants in which Confucian work dynamism and human-heartedness values were entered in the first step (JV model 1 and SOE model 3), and the six HRM practices (recruitment, employee selection, performance management, training, compensation/job security, and working conditions) were entered in the second step (JV model 2 and SOE model 4). Correlations among all five HRM practices were all positive and were significant for 11 of the 15 correlations (see table 2). Given that the factor analysis results did not support the development of a summary HRM practices scale, the HRM practices variables were standardized to avoid multicollinearity problems.

In addition to determining the relationship between individual HRM practices and affective commitment, the influence of an organization's HRM system on affective commitment can be interpreted from the incremental variance (change in  $R^2$ ) accounted for when HRM practices were added to the model after controlling for cultural values. For a direct test of organizational differences in influences on affective commitment, a summary regression analysis was conducted for the total sample (JV and SOE). This summary regression included cultural values, HRM practices, organization and the interaction terms between organization and the six HRM practices (model 5). The results of the hierarchical regressions are provided in table 5.

Hypothesis 2 proposed that employees who attributed higher importance to traditional Chinese values would also have higher affective commitment. For JV employees, human-heartedness was positively related to affective commitment (model 2  $\beta = 0.30$ ,  $p < 0.10$ ). For SOE employees, human-heartedness was significantly and positively related to affective commitment in model 3 ( $\beta = 0.38$ ,  $p < 0.05$ ), but the coefficient did not remain significant ( $\beta = 0.22$ ) when HRM practices were added for model 4. In the total sample regression (model 5), human-heartedness was positively related to affective commitment ( $\beta = 0.26$ ,  $p < 0.05$ ). Thus, hypothesis 2 was only supported in respect to the positive relationship between importance of human-heartedness and affective commitment.

Hypothesis 3 proposed that employee satisfaction with HRM practices would be positively related to their affective commitment. JV participants' satisfaction with recruitment ( $\beta = 0.37$ ,  $p < 0.05$ ) and compensation/job security ( $\beta = 0.23$ ,  $p < 0.10$ ) practices were positively related to affective commitment (model 2). SOE participants' satisfaction with their organization's performance management practices ( $\beta = 0.59$ ,  $p < 0.01$ ) was the only HRM practice that had a significant positive relationship with affective commitment (model 4). For the total sample (model 5), participant satisfaction with recruitment ( $\beta = 0.40$ ,  $p < 0.05$ ) and compensation/job security ( $\beta = 0.28$ ,  $p < 0.10$ ) practices were significantly related to affective commitment. In respect to organizational

Table 5 Influences on affective organizational commitment: Cultural values and HRM practices<sup>a</sup>

Variables	JV		SOE		Total
	Model 1	Model 2	Model 3	Model 4	Model 5
Confucian work dynamism	-.09	-.24	.11	.13	-.10
Human-heartedness	.21	.30+	.38*	.22	.26*
Recruitment		.37*		.05	.40*
Employee selection		.05		.25	.14
Performance management		-.15		.59**	.19
Training		.06		-.05	.10
Compensation/Job security		.23+		.17	.28+
Working conditions		.18		.12	.27
Organization					.17
Organization x Recruitment					-.32+
Organization x Employee selection					.16
Organization x Performance management					.56***
Organization x Training					-.06
Organization x Compensation/Job security					-.04
Organization x Working conditions					-.13
Adjusted R <sup>2</sup>	.00	.22	.17	.31	.26
F	.77	2.99**	6.18**	3.97***	3.66***
$\Delta R^2$		.29		.22	
F for $\Delta R^2$		3.64**		2.80*	
N	60		53		113

a Standardized regression coefficients are reported.  
 +  $p < .10$  \*  $p < .05$  \*\*  $p < .01$  \*\*\*  $p < .001$

differences in the influence of HRM practices on affective commitment, there were significant interactions for recruitment practices ( $\beta = -0.32$ ,  $p < 0.10$ ) and performance management practices ( $\beta = 0.56$ ,  $p < 0.001$ ).

Overall, these findings provide only partial support for hypothesis 3 regarding the influence of individual HRM practices on affective commitment. Satisfaction with recruitment practices was only a significant factor for JV employees whereas satisfaction with performance management practices was only a significant factor for SOE employees. While satisfaction with compensation/job security was found to be positively related to affective commitment for the total sample ( $\beta = 0.28$ ,  $p < 0.10$ ), this was primarily attributable to the JV sample. Employee satisfaction with employee selection practices, training practices and working conditions did not have a significant influence on affective commitment in either organization.

Hypothesis 4 proposed that the internal consistency and strategic alignment of HRM practices would be positively related to employee affective commitment. Thus, we expected that: JV employees would have higher affective commitment than SOE employees; and the impact of HRM practices on affective commitment would be greater for the JV sample than for the SOE sample. T-test results (one-tailed) showed that affective commitment was higher for JV employees than SOE employees (JV mean = 4.11, s.d. = 0.72; SOE mean = 3.86, s.d. = 0.66;  $t = -1.88$ ,  $p < 0.05$ ). In table 5, the JV model 2 results showed that the change in  $R^2$  associated with HRM practices was statistically significant ( $\Delta R^2 = 0.29$ ,  $\Delta F = 3.64$ ,  $p < 0.01$ ). The SOE model 4 results also showed a significant, albeit smaller, change in  $R^2$  associated with HRM practices ( $\Delta R^2 = 0.22$ ,  $\Delta F = 2.80$ ,  $p < 0.05$ ). In sum, hypothesis 4 was supported in that the more integrative HRM system of the JV had a stronger influence on employee affective commitment than did the hybrid HRM system of the SOE.

## Discussion

### Influences on employee satisfaction with HRM practices

In this study, the JV had implemented high-performance HRM practices to a greater extent than had the SOE. Consistent with previous research on worker satisfaction with high-involvement HRM practices (Bae and Lawler 2000; Boselie and van der Wiele 2002; Huselid 1995; Whitener 2001), JV employees were significantly more satisfied with their organization's recruitment and compensation/job security practices. JV employees were also more satisfied with working conditions which was expected given the newer, more modern factory that JV employees worked in (8 years old versus 49 years old for the SOE factory). However, there were no significant organizational differences in satisfaction with employee selection, performance management, and training practices. These results provide only partial support for universalistic strategic HRM perspectives which predict that high-performance practices constitute 'best practices' that have positive outcomes irrespective of organizational strategy or context (Delery and Doty 1996).

We found significant organizational differences in the influence of cultural values and employee demographic characteristics on employee satisfaction with selection, performance management, and training practices. While traditional Chinese cultural values were not predictive of JV employee satisfaction with HRM practices, SOE employees who attributed higher importance to human-heartedness were more satisfied with their organization's employee selection and training practices. Human-heartedness is associated with human-centered (rather than task-centered) considerations in HRM practices (Sparrow and Wu 1998). Compared to the JV, SOE selection and training practices were relatively less extensive in terms of evaluating and developing employee task skills and competencies. These findings suggest

congruence between Chinese cultural values (human-heartedness) and the SOE approach to selecting and training employees (Pelled and Xin 1997). One managerial implication for SOEs is that introducing more task-oriented and performance-based selection and training practices may have a negative influence on employee satisfaction.

We found that SOE employees attributed higher importance to Confucian work dynamism than did JV employees, and that SOE employees who attributed lower importance to Confucian work dynamism were more satisfied with their organization's working conditions. Confucian work dynamism is a unique Chinese value dimension with high scores indicating a dynamic future orientation and low scores indicating a static tradition orientation (Hofstede and Bond 1988). While there is a contingent of SOE employees who are satisfied with the relatively poor factory working conditions, SOE employees' higher Confucian work dynamism and lower satisfaction with working conditions suggests that this is source of dissatisfaction for the majority of SOE employees.

We also found organizational differences in other antecedents of employee satisfaction with HRM practices. JV employees who were younger, male and unmarried were more satisfied with their organization's recruitment and employee selection practices. Married JV employees were less satisfied with their organization's extensive training program which often requires travel for training courses. In addition, married JV employees were less satisfied with performance-based compensation and job security practices. One implication of these findings for JV management is that currently unmarried employees (who are also more likely to be younger and male) are more receptive to high-performance HRM practices. These results also suggest that employee satisfaction with these HRM practices may decline in the future as this cohort grows older, marries, and places relatively higher importance on family security needs (Setterson and De Mayer 1997). While we found that SOE unmarried employees were more satisfied with their organization's recruitment practices, married SOE employees were more satisfied with the SOE's more traditional employee selection, performance management, compensation and job security practices. More highly educated SOE employees were more satisfied with hiring procedures and performance management practices. SOE supervisors were more satisfied with compensation and job security than line-workers, and more highly paid SOE employees were more satisfied with recruitment procedures, compensation and job security. In general, these results suggest that in the SOE, satisfaction with HRM practices is more consistent with social and economic hierarchical status (married, education, organizational role, income level) that is characteristic of traditional Chinese culture (Bjorkman and Lu 1999).

## Influences on affective organizational commitment

One contribution of this study was the delineation of Chinese cultural values that influence affective commitment. Although they did not measure individual employees' cultural values orientations, Chen and Francesco (2000) concluded that personalism and *guanxi* (personal relationship network) had a positive influence on Chinese employees' organizational commitment. Similarly, we found that demographic and job-related characteristics were not predictive of Chinese employees' organizational commitment. Instead, both JV and SOE employees who attributed higher importance to the Chinese cultural value of human-heartedness had higher affective commitment. This finding is not surprising given the conceptual similarity between human-heartedness which emphasizes compassion towards others (Chinese Culture Connection 1987) and affective commitment which relates to employees' emotional attachment and identification with an organization (Meyer and Allen 1997). However, Confucian work dynamism which emphasizes a future-orientation as well as organizational identity, and loyalty (Chinese Culture Connection 1987) was not significantly related to affective commitment.

HRM practices had a major influence on employee affective commitment in Chinese organizations, as has been found in studies in other countries (Iverson and Buttigieg 1999; Meyer and Smith 2000; Ogilvie 1986). However, the influence of HRM practices on employee affective commitment was different for the two organizations in this study. In the JV, employee satisfaction with their organization's recruitment, compensation and job security practices was positively related to affective commitment. For JV management, one implication is that employee affective commitment is enhanced by ensuring that recruitment practices are perceived as being open and fair, offering realistic job previews, and effective new employee orientations. In this regard, our findings are consistent with Wong, Ngo and Wong's (2002) conclusion that procedural justice is an antecedent of organizational commitment in Chinese joint ventures. Also similar to previous research on high-performance practices (Delaney and Huselid 1996), we found that JV employee satisfaction with performance-based compensation and job security practices enhanced their affective commitment. However, JV management cannot expect high performance-oriented employee selection, performance management, and training practices as well as good working conditions to enhance their employees' affective commitment.

In the SOE, employee satisfaction with their organization's performance management practices was positively related to affective commitment. In 2000, the SOE introduced formal performance appraisal and goal-setting practices. Although not as extensive as the high-performance management practices at the JV, this study's findings suggests that employees who are more satisfied with these new practices also have higher affective commitment. No other HRM practices had a significant relationship with employee affective



commitment even though the SOE's more retention-oriented HRM practices could be expected to enhance affective commitment (Takeuchi, Wakabayashi and Chen 2003; Wong et al. 2002). In total, our findings suggest that the relationship between HRM practices and affective commitment is more contingent on organizational context rather than being universal (Delery and Doty 1996).

One important finding of this study was that the internal consistency and strategic alignment of HRM systems are positively related to employee affective commitment. Specifically, the influence on employee affective commitment was greater for the more integrative high-performance based JV HRM system than it was for the hybrid SOE HRM system. This finding provides additional support for strategic HRM theory predictions that the internal and external fit of HRM systems results in positive organizational outcomes (Bamberger and Meshoulam 2000; Bowen and Ostroff 2004; Chang and Chen 2002; MacDuffie 1995). Other studies have identified that the incremental adoption of high-performance practices in SOE hybrid HRM systems contributes to the lower financial performance of SOEs compared to JVs in China (Goodall and Warner 1999; Law, Tse and Zhou 2003). In that employee affective commitment leads to improved firm performance (Deery and Iverson 1996; Morris, Lydka and O'Creevy 1998), this study provides support for the argument that more radical market-oriented changes in SOE HRM systems are needed (Bjorkman and Lu 1999; Law, Tse and Zhou 2003).

### Limitations and future research

One limitation of this study was the small sample size that included employees in only two workshops of large organizations. Additional research is needed to determine the generalizability of this study's findings to workers in other organizations and regions of China. A larger sample size would also have allowed for additional scale development using the Chinese Values Survey. As a result of the low scale reliabilities for two of the CVS scales, we were only able to test the influence of two Chinese values (Confucian work dynamism and human-heartedness) on HRM practices satisfaction and affective commitment. One explanation for the low scale reliabilities of the CVS integration and moral discipline subscales may be the different type of participants in this study compared to previous studies that have used the CVS instrument. Whereas the Chinese Culture Connection's (1987) sample was university students and Ralston, Gustafson, Elsass, Cheung, and Terpstra's (1992) sample consisted of managers, this study's participants consisted primarily of workers in manufacturing line operations. As such, the appropriateness of the CVS integration and moral discipline scales for different types of subjects such as lower level workers should be examined in future research.

As this was a cross-sectional study, we were unable to test the influence of changes in the SOE's HRM system on workers' attitudes. Longitudinal

research is clearly needed to test the impact of HRM systems (practices) on affective commitment and other work-related outcomes.

## Conclusion

This study of HRM practices in a state-owned enterprise and a joint venture demonstrates the importance of strategic HRM practices in engendering affective organizational commitment. Further, we found that Chinese cultural values continue to influence Chinese employees' attitudes towards certain HRM practices as well as to influence affective commitment. While further research is needed to confirm these findings in other settings with different types of employees, this study provides interesting insights into the contingent influence of HRM practices on Chinese employees' attitudes towards their organizations.

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**Appendix Scale items**


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**Affective commitment<sup>a</sup>**

- I feel a strong sense of belonging to (Company name)
- I feel "part of the family" at (Company name)
- I feel emotionally attached to (Company name)

**Overall job satisfaction<sup>a</sup>**

- Overall I feel very satisfied with my job at (Company name)

**HRM practices****Recruitment practices<sup>a</sup>**

- I think, in general, the company's hiring policy and process is open and fair
- My pre-entry expectations about working at (Company name) have been greatly exceeded
- I was warmly welcomed and received by my co-workers and supervisor

**Employee selection practices<sup>b</sup>**

- Technical skills tests
- Interview with management
- Interview with immediate supervisor
- Written tests
- Physical examinations
- Tests at the end of the probation period

**Performance management practices<sup>a</sup>**

- I have specific performance goals and standards established for my job
- I understand very well how my work performance is measured
- My work performance goals and standards are challenging
- I have to explain the reason for not meeting a work performance goal

**Employee training and development practices<sup>a</sup>**

- I think that the company-provided formal training (i.e. technical, quality control, etc.) is sufficient and worthwhile.
- Further training and education are encouraged in (company name)
- I think the coaching support for my apprenticeship is sufficient and helpful
- I feel satisfied with (company name)'s overall training and development programs

**Compensation and job security<sup>a</sup>**

- Compared with wages paid for similar jobs outside (Company name), I feel satisfied with my wages.
- Compared with similar jobs at (Company name), I feel satisfied with my month-end/year-end bonus
- Compared with similar jobs at (Company name), I feel satisfied with my benefits
- I feel satisfied with (Company name)'s overall wage, bonus and benefit practices
- (Company name) offers high job security
- My future employment with (Company name) is very secure

**Working conditions<sup>b</sup>**

- Condition of factory equipment
- Worker safety measures
- Overall physical working environment

**CVS values****Confucian work dynamism<sup>c</sup>**

- Ordering relationships
- Thrift
- Persistence
- Having a sense of shame
- Reciprocation (reverse scored)
- Personal steadiness (reverse scored)
- Respect for tradition (reverse scored)

**Human-heartedness<sup>c</sup>**

- Kindness
- Patience
- Courtesy
- Sense of righteousness (reverse scored)

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a Using a 5-point scale: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree

b Using a 5-point scale: 1 = very poor, 2 = poor, 3 = average, 4 = good, 5 = excellent

c Using a 7-point scale: 1 = very unimportant, 2 = unimportant, 3 = slightly unimportant, 4 = neutral, 5 = slightly important, 6 = important, 7 = very important

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