



Intercultural influences on managing African employees of Chinese firms in Africa: Chinese managers' HRM practices



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ABSTRACT

The present paper addresses the important inter-organizational relationship between Chinese firms and local unions by investigating Chinese managers' HRM practices in managing African employees. We utilize the storytelling research method to obtain a nuanced understanding of this little-understood, yet important phenomenon. Our data was collected through in-depth narrative interviews with 32 Chinese managers (both senior and middle) with three to eight years of professional experience in African countries from 21 Chinese firms (both state-owned and privately owned). We found that Chinese managers' crossvergence HRM practices are a blend of divergent local contextual factors and convergent cultural factors. Our findings reveal that the cultural proximity between African "Ubuntu" and Chinese Confucianism can significantly influence Chinese firm-local union inter-organizational relationship in managing African employees of Chinese firms. The crossvergence of Chinese managers' HRM practices can gradually affect the work behaviors of African employees over time. The paper identifies importance of the cross-cultural training and mutual learning between Chinese managers and African employees to enhance mutual understanding against the backdrop of Chinese firms entering Africa countries. Our study contributes to the better understanding of HRM practices of emerging market multinational corporations, and has important practical implications for managing African employees.

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1. Introduction

Multinational corporations (MNCs) encounter host country organizations that embedded in different institutional environment. The multiple embeddedness of MNCs and local contexts can engender significant influence on organizational practices (Meyer, Mudambi, & Narula, 2011). For instance, labor markets as one important dimension of national institutional environments affect firm performance persistence (Chacar, Newbury, & Vissa, 2010). Amid the rise of emerging market firms venturing into both advanced economies and less developing countries, researchers began exploring the motive, process and consequence of this new emerging phenomenon (Cuervo-Cazurra & Genc, 2008; Luo & Tung, 2007). Despite under the same umbrella concept of emerging economies (Hoskisson, Wright, Filatotchev, & Peng, 2013), yet, emerging markets can vary on most significant

dimensions—institutionally, economically, culturally, socially, technologically (Teagarden, 2013).

In recent years, MNCs from emerging countries have entered the African markets with tremendous momentum, especially as attested by the investments and activities of Chinese firms (Power & Mohan, 2008). Existing research on Chinese involvement in African countries has examined mainly the motives and consequences of international aid, trade, and investment through the lens of political economy (Mohan & Power, 2008). For example, Chinese aid has a positive effect on African manufacturing as far as infrastructure and technical training are concerned (McCormick, 2008). There is only scant research examining Chinese HRM practice in Africa. For example, one study analyzed Chinese hiring practices and labor conditions in Zambia, and their effect on local employment practices (Gadzala, 2010). Another recent research found that Chinese and Indian firms can continue to apply in Africa the labor standards of their home countries (Akorsu & Cooke, 2011). To gain a nuanced, contextualized understanding of management practices in African organizations in general, and of managing African employees in particular, there is an urgent need to examine the organizational level factors (Jackson, Louw, &

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Zhao, 2013). The present paper fills this important gap by investigating HRM practices in Chinese firms in Africa.

The role of labor unions has been identified as an important factor affecting HRM practices in Africa (Wood, Dibben, Stride, & Webster, 2011; Wood & Glaister, 2008). Wood and Glaister (2008) described the high levels of union power and collective employee participation and involvement in South Africa. In contrast, the union in China not might bear the equivalent function as their counterpart in African countries. African unions commonly differ from Chinese unions in their independent concerns for employees' rights and interests (Ding, Goodall, & Warner, 2002). In China, the Party and state remain the dominant influence on Chinese unions (Friedman & Lee, 2010; Zhu, Warner, & Feng, 2011). Therefore, local union might pose challenges for Chinese firms in managing African employees, ranging from recruiting, to training, to employee compensation. The ability to manage local union-firm relationship can significantly affect HRM practices. Therefore, the aim of this paper is to investigate how Chinese firms interact with local union.

The convergence and divergence debate is central to the diffusion and variation of HRM practices across country boundaries. Both arguments received empirical support: convergence to US practices among subsidiaries (Pudelko & Harzing, 2007) and divergence of HRM characteristics in Western-owned facilities in China and India (Björkman, Budhwar, Smale, & Sumelius, 2008). In the context of MNC subsidiaries in Africa, both divergence and convergence have been observed among back-office employees in the banking sector (Newenham-Kahindi, 2011). The study by Horwitz, Kamoche, and Chew (2002) on the diffusion of high-performance work practices aimed at achieving engagement between African and Asian employees embraced the "crossvergence" view. Local cultural factors may have an important influencing on HRM practices in the area of employee relations (Klerck, 2012). Some scholars argue that there is cultural proximity between African and Asian employees, for example Ubuntu and Guanxi, and suggest that HRM practices may evolve in the direction of an Afro-Asian nexus based on various global, indigenous, and contingency factors (Horwitz, 2012). "Ubuntu" means the person is a person through other persons (Karsten & Illa, 2005; Mangaliso, 2001), whereas "Guanxi" denotes the interpersonal relationships in the Chinese context (Chen, Chen, & Huang, 2013). Our understanding of Chinese culture reveals an essential element of flexibility and adaptation (Xing & Sims, 2012) that may support the convergence argument linking Guanxi with Ubuntu. Consequently, a question arises concerning the HRM practices of Chinese managers in view of both diverging and converging factors: how does culture influence the Chinese firm-local union inter-organizational relationship?

We chose storytelling as a research method to fit the exploratory nature of our research question. Storytelling can uncover the hidden and even unconscious insights of narrators, and it is especially effective in dealing with complex and dynamic issues (Liu, Xing, & Starik, 2012; Sims, 2005). Our data were collected through in-depth interviews with 32 managers from 21 Chinese firms who have three to eight years of working experience in Africa. The Chinese firms include 14 state-owned enterprises and 7 privately owned firms covering a wide spectrum of industrial sectors. This primary qualitative dataset enables us to explore Chinese HRM practices in managing local African employees and the influence of culture at the organizational level.

The present study makes several important contributions to both theory and practice. First, we contribute to the crossvergence literature by highlighting the role of adaptation as a prerequisite for the emergence of Chinese managers' crossvergence practices. Second, our findings lend support to the important role of macro-level factors, in particular local contextual factors and cultural factors influencing the emergence of crossvergence of Chinese

HRM practices. Third, we illustrate a process model leading from adaptation to the crossvergence of Chinese HRM practices. Chinese managers' crossvergence practices may have important implications for local African employees' characteristics, such as commitment to organization and work attitude.

The paper is organized as follows. We begin by reviewing the literature on HRM in Africa and China, and the convergence, divergence, and crossvergence debate with respect to HRM practices. Next, we focus on employment relation and cultural influences as important HRM dimensions. We then present the research methodology, including data collection and analysis. We use stories to illustrate the adaptation and crossvergence of Chinese managers' practices and the consequences of crossvergence practices for local African employees. We develop a process model from our data analysis to illustrate the dynamic mechanisms described. We conclude with a discussion of the theoretical contributions and managerial implications of our findings for managing employees in Africa.

2. Theoretical background

2.1. The nexus between HRM in Africa and China

Although HRM in Africa has received increasing scholarly attention in the past decade (Jackson, 2002; Kamoche, 1997, 2002, 2011; Kamoche & Newenham-Kahindi, 2012), managing people in organizations in Africa remains a scholarly puzzle and a practical challenge, especially amid the rise of emerging-market MNCs from China and India and their interactions with African employees. Existing studies are concerned primarily with making assumptions and theoretical arguments, with little empirical evidence. For example, a recent conceptual framework of international HRM in emerging economies is backed by one illustration of an Indian MNC (Thite, Wilkinson, & Shah, 2012). Responding to the need to consider the importance of Chinese investments in African countries and of Chinese relationships in these countries (Kamoche, Chizema, Mellahi, & Newenham-Kahindi, 2012), our study fills an important gap by investigating employee management in Chinese organizations in Africa.

Research of Chinese investment in Africa has been conducted primarily through the lenses of international trade and political economy (Kaplinsky & Morris, 2009; Mohan & Power, 2008). The first cause for Chinese investments in Africa are natural resources as the government needs natural resources to supply economic growth (Shoham & Rosenboim, 2009). Furthermore, China's rapid development can affect industry activities and industrialization in Sub-Saharan Africa (Kaplinsky, 2008). China can facilitate African development beyond international aid and trade (Bräutigam, 2009, 2011). For example, the special economic zones in Africa resemble the Chinese experimental approach of building a platform for the mutual benefit of China and Africa (Bräutigam & Tan, 2011). But there is sparse empirical evidence concerning the HRM practices of Chinese companies in conducting business in Africa at the organizational and community levels (Jackson, 2014). HRM in China has undergone a transformation that echoes the development trajectory of China's economic and social reform in recent decades (Cooke, 2009). Traditional Chinese values exert an important influence on contemporary Chinese HRM practices (Warner, 2010). For example, the high level of resistance by Chinese managers to adopting sophisticated performance metrics may be attributed to Chinese labor market factors and cultural norms (Cooke & Huang, 2011). Arguably, HRM practices in China are still too recent to be able to claim a paradigm shift away from Western models (Warner, 2012; Zhu, Thomson, & Cieri, 2008). We believe that our study can offer some important insight into Chinese managers' HRM practices in Africa by exploring organizational-level factors.

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