

## An analysis comparing human resource management in China and the West with respect to information on human resources and systems for measuring them

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### ABSTRACT

To better understand the dynamic nature of convergence, divergence, and contextualization in HRM as a whole, this article uses the development of HRM in China as a research study. It claims that in various institutional settings and across different historical periods, the methods of managing individuals in China have drifted from or coincided with Western or majority ideas and practises. Human resource management in modern China is examined alongside this intellectual storyline to reveal the impact of Western models like scientific

management and human relations and Eastern European ones like personnel administration on local management practises. This research examines Chinese-Western joint ventures and fully owned subsidiaries throughout the People's Republic of China to determine the impact that HRM has on business success. Integrating HRM with business strategy and using an "elevated" HRM system were proven to have a favourable impact on a company's bottom line.

**Keyword:** HRM, Eastern and Chinese HRM, Administration, Management.

### 1. INTRODUCTION:

Human resources information systems (HRIS) may store and handle employee data and HR rules. The interactive HRIS standardises HR tasks and promotes reliable documentation and reporting. In other words, an HRIS provides internal and external employee communication. An HRIS removes paper-based & manual HR-related tasks, enabling HR professionals to concentrate on strategic efficiency in the process and employees to enjoy a more fluid, streamlined, and fostering relationship with their employers. HRIS means Human Resources Information System. HRISs

collect and store employee data in organizations. An HRIS can manage HR end-to-end. It manages recruitment, performance, learning, and more (**Liang, 2015**).

HRIS software is nothing more than an HRIS. This is confusing since systems run different apps. HRIS software manages human resources. HRISs may be deployed on premises or in the cloud. Remote HR software updates are much easier. Human resources management software (HRMS) software tracks an employee's personal and professional information. HRMS can assist a company in staying up to date on tax and labor laws as well as understanding its employees. HR executives and staff manage workforce management and reporting and are the main users. Other departments benefit too. Newer workers like companies that let managers and staff execute everyday tasks on their own. Executives may acquire labor market data and company impacts from an HRMS. Finance departments love HRMS-accounting connectivity. HR data may be used for more than accounting with the right vendors (**Holliday, 2020**).

## **2. BACKGROUND OF THE STUDY:**

In the 1970s, firms automated staff administration by digitising payroll. Mainframe technology was needed to calculate salaries, withhold taxes, issue checks, and handle payroll. Before direct payment and employee self-service, payroll wasn't computerised. PeopleSoft introduced a more extensive HRMS system in the late 1980s. It also helped HR professionals simplify employee records management, recruiting, time and attendance tracking, benefits management, compensation, and the compliance department, as well as payroll. Internet-enabled HR automation began in the late 1990s. Electronic job boards allow recruiters and candidates to interact. By the 2010s, HR departments of various sizes could utilise a suite of applications without buying expensive computer hardware or hiring IT staff. HRMS development should continue for decades. If true AI technology becomes a reality, organisations will be able to predict skill shortages and workforce changes and match best-fit candidates to open positions faster. Since 1945, technology has enabled HR processing. When tax regulations tightened, company-promoting structures were built to enable payroll processing, despite the project's complexity and data-heavy nature. The final managerial function to be automated is HRM. HR systems are critical, but they are more difficult to design and implement than accounting or procurement systems. Estimates show that HR technology use has expanded just recently. All major companies have HR systems. These systems offer online banking and commerce. Employee data management, a specific online succession planning selection screening, and more. These resource-information systems are called "human" (**Johnson, 2021**).

## **3. PROBLEM STATEMENT:**

*“China’s human resources during the past decades are characterized by a lack of theory with focus that tends to use Western HRM theories as a benchmark.”*

According to Zhu “Since China has become a major actor in worldwide commerce, it has been a subject of interest in management studies in the previous two decades, China has seen a substantial expansion in the scope of study into business and management, particularly HRM. It is because of these strong reasons that China has been a centre of attention in management and organisation study, particularly in the area of international and comparative management. First and foremost, since China has the world's biggest workforce, existing theories and techniques cannot be considered global unless they adequately describe the process and structure of Chinese firms and the attitudes and behaviours of its people. It's also possible that China 'possibly provides the most significant threat to paradigms formed in the West' since China varies from Western nations in several aspects: cultural and social systems, political and economic systems, and so on. The third reason is that as China's economy grows, so does "the importance of Western models," which means that they are no longer just a theoretical consideration. There is now a greater opportunity to evaluate the universality of Western ideas by studying Chinese management in more depth. Organizational structures and employee behaviour in varied circumstances may be predicted by Traditional Chinese HRM Practices. In addition, research on the differences and similarities between Chinese and Western management styles should be useful in a wide range of management and organisational theory fields (Khalil, 2013).

#### **4. RESEARCH OBJECTIVE:**

- I. To find out the changing role of Chinese HRM and Western HRM.
- II. To analyse the differences between Chinese and Western HRM.
- III. To identify the differences and the future trends of Chinese and Western HRM.
- IV. To examine the HRM practices in Chinese and the Western.

#### **5. LITERATURE REVIEW:**

Since 1978, when the "open doors" policy was first put into place, China's economy has gone through a lot of changes. After the economy expands and public ownership shifts, the level of competition in the commercial world increases. Since China's admission to the World Trade Organization (WTO) in 2001, the number of privately owned enterprises (POEs) and foreign invested enterprises (FIEs) in China has increased dramatically. Traditional HRM practises from the planned economy era, such as the "iron rice bowl" reward system, the "cradle-to-grave" welfare system, and the "lifelong" employment system, have been largely phased out. These practises had a negative impact on employee motivation and ultimately contributed to poor firm performance (Warner, 2016).

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Combinations of HRM practises, rather than single activities, have been suggested as a possible source of sustained competitive advantage in the literature. Investments in HRM procedures that are consistent across the organisation and are geared towards the acquisition, growth, and motivation of the firm's workers have the potential to yield scarce and valuable human assets, according to the literature. Another point is that HRM as a whole is considerably harder to duplicate than HRM activities themselves, even though other organisations may watch and imitate HRM practises. As was said before, the majority of studies examining the connection between human resource management and business success have been conducted in the West. Is it likely that "high-performance HRM practises," as denounced by Western scholars and managers, will also have a positive impact on job performance in a Chinese setting, given the various cultural and institutional differences between the two nations, in which earlier research on HRM organisational value has already been carried out? researcher contend there isn't an a priori justification for supposing otherwise. Our knowledge of the propriety of various human resource practises throughout China is still very rudimentary, despite the fact that there are highly probable discrepancies in how measures are executed in China as opposed to Western settings and that some HRM practises might well be particularly vital to companies in China (Rowley, 2017).

**6. METHODOLOGY:**

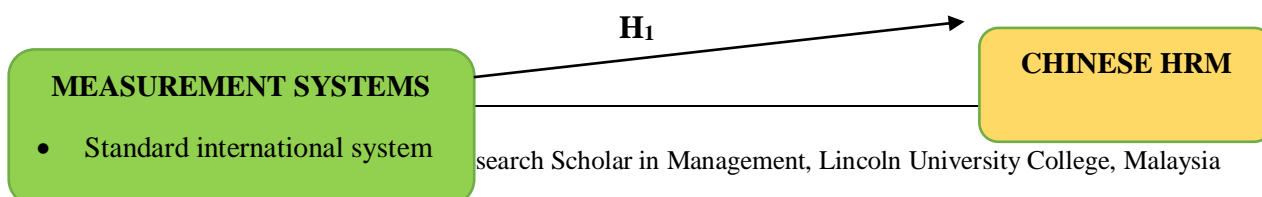
**Sampling:** A convenient sampling technique was applied for the study. A pilot study was conducted with questionnaire Chinese HRM with Western HRM in the areas of human resource information and human resource measurement systems. Total 600 respondents were used for Chinese HRM and western HRM and in total 1200 respondents were used for the survey. All the completed questionnaires were considered for the study, and any incomplete questionnaires was rejected by the researcher.

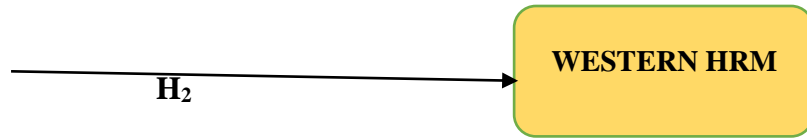
**Data and Measurement:** Primary data for the research study was collected through questionnaire survey. The questionnaire was divided into two parts – (A) Demographic information (B) Factor responses in 5-point Likert Scale for both the online and non-online channels. Secondary data was collected from multiple sources, primarily internet resources.

**Statistical Software:** MS-Excel and SPSS 25 was used for Statistical analysis.

**Statistical Tools:** Descriptive analysis was applied to understand the basic nature of the data. Validity and reliability of the data was tested through Cronbach alpha, the researcher shall apply logistic regression model, and ANOVA.

**7. FRAMEWORK:**





**8. RESULT:**

**Factor Analysis:**

Confirming the latent component structure of a collection of measurement items is a common utilisation Factor Analysis (FA). The scores on the observable (or measured) variables are thought to be caused by latent (or unobserved) factors. FA is a model-based method. Its focus is on the modelling of causal pathways between observed phenomena, unobserved causes, and measurement error. The data's suitability for factor analysis may be tested using the Kaiser-Meyer-Olkin (KMO) Method. Each model variables and the whole model are evaluated to see whether they were adequately sampled. The statistic measures the potential shared variation among many variables. In general, the smaller the percentage, the better the data was suitable to factor analysis. KMO gives back numbers between 0 & 1. If the KMO value is between 0.8 and 1, then the sampling is considered to be sufficient.

If the KMO is less than 0.6, then the sampling is insufficient and corrective action is required. Some writers use a number of 0.5 for this, thus between 0.5 and 0.6, you'll have to apply your best judgement.

- KMO Near 0 indicates that the total of correlations is small relative to the size of the partial correlations. To rephrase, extensive correlations pose a serious challenge to component analysis.

Kaiser's cutoffs for acceptability are as follows:

Kaiser's cutoffs for acceptability are as follows:

A dismal 0.050 to 0.059.

- 0.60 - 0.69 below-average

Typical range for a middle grade: 0.70–0.79.

Having a quality point value between 0.80 and 0.89.

The range from 0.90 to 1.00 is really stunning.

**Table 1 for Chinese HRM: KMO and Bartlett's Test<sup>a</sup>**

<b>KMO and Bartlett's Test<sup>a</sup></b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.850
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	4350.175
	<b>df</b>	190

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	<b>Sig.</b>	.000
<b>a. Based on correlations</b>		

EFA begins with a validation of the data's appropriateness for factor analysis. Regarding this, Kaiser suggested that factor analysis only be conducted if the KMO (Kaiser-Meyer-Olkin) indicator of sample adequacy coefficient value was larger than 0.5. It has been determined that the KMO value for the data used in this investigation is .850. Additionally, a significance level of 0.00 was found using Bartlett's test of sphericity.

### **8.1 Test for Hypothesis:**

A hypothesis is a supposition or theory that is made public for discussion and later tested to ascertain its chances of being true. The creation of a hypothesis is the first step in the scientific method, apart from a broad assessment of related earlier research. A hypothesis made predictions about the findings of the inquiry. A response to a research question is an untested hypothesis. It could be necessary to construct a number of hypotheses to look at the research question from different angles, depending on the study's breadth.

- **Chinese HRM:**

Traditional HR-type judgement was essentially irrelevant in China before the market reforms because of the government's regulations on topics like centralised labour allocation. As a result of the country's newfound competitiveness, human resource management in China made significant strides between 1994 and 2018—enough to catch up to the state of the HR field in the United States, but not quite. HRM will be a driving force in propelling Chinese businesses to even greater levels of global competence as market reforms in the country progress. This article provides a concise overview of the development of human resource management in China so far. This month, ten years ago, two authors predicted that China's employment policies could evolve in response to the country's new direction. Market changes at the time were shifting power for allocating workers from a central body to management divisions inside China's businesses. The production and incentive structures were shifting away from equality and towards a greater focus on performance.

**Measurement systems:** It takes experience to find the perfect blueprints for your project. Therefore, the theoretical foundations of the research are essential in order to settle on HR performance evaluation standards. Because of this, it is vital to have a research hypothesis that has

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been well thought through and that describes the main aims of the study as well as a method for reaching those goals. In order for an academic study to be considered successful, it must always make certain that the necessary theory, constructions, and variables are appropriately identified.

**Standard international system:** Prior to the market reforms, China's traditional HR-type judgement was mostly meaningless due to the government's rules about things like centralised labour allocation. Human resource management in China achieved substantial advancements between 1994 and 2018 as a consequence of the nation's newly discovered competitiveness—enough to catch up to the level of the HR sector in the United States, but not quite. As China's market reforms advance, HRM will be a key factor in helping Chinese companies achieve even higher levels of global competence. This study offers a succinct summary of the evolution of human resource management in China to date as well as some predictions for the future. Ten years ago this month, two writers foresaw that China's employment rules may change in reaction to the nation's new course. Market developments at the time resulted in the transfer of authority for staffing Chinese firms from a central body to management divisions. The emphasis on performance was replacing equality in the production and incentive systems. This month's conference offers a great opportunity to consider how HRP in China has changed from its start in the early 1990s until the present (i.e., 1994–2018) and to consider what lies ahead beyond 2022. The standard unit of measurement across the world is the metric system, sometimes referred to as the International System of Units (SI). On or around May 20, 1875, seventeen countries, including the United States, signed the International Treaty of the Metre in Paris. This occasion is recognised as World Metrology Day. In the International Bureau of Metric weights and Measures (BIPM), Conference Held on weights and Measures (CGPM), and International Committee of weights and Measures (CIPM), all of which were established by the Metre Convention, NIST represents the United States (Gartner, 2020).

On basis of the above discussion, the researcher formulated the following hypothesis, which was analysed the relationship between Standard international system and Chinese HRM.

**H<sub>01</sub>:** “There is no significant relationship between Standard international system and Chinese HRM.”

**H<sub>1</sub>:** “There is a significant relationship between Standard international system and Chinese HRM.”

**Table 2: ANOVA Sum**

<b>ANOVA</b>
<b>Sum</b>

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	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Between Groups</b>	39936.307	282	3993.631	2485.855	.000
<b>Within Groups</b>	145.083	317	1.630		
<b>Total</b>	40081.390	599			

In this study, the result is significant. The value of F is 2485.855, which reaches significance with a *p*-value of .000 (which is less than the .05 alpha level). This means the ***“H<sub>1</sub>: There is a significant relationship between Standard international system and Chinese HRM.”*** is accepted and the null hypothesis is rejected.

- **KMO for Western HRM:**

**Table 3 for Western HRM: KMO and Bartlett's Test<sup>a</sup>**

<b>KMO and Bartlett's Test<sup>a</sup></b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.858
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	4350.175
	<b>df</b>	190
	<b>Sig.</b>	.000
<b>a. Based on correlations</b>		

EFA begins with a validation of the data's appropriateness for factor analysis. Regarding this, Kaiser suggested that factor analysis only be conducted if the KMO (Kaiser-Meyer-Olkin) indicator of sample adequacy coefficient value was larger than 0.5. It has been determined that the KMO value for the data used in this investigation is .858. Additionally, a significance level of 0.00 was found using Bartlett's test of sphericity.

- **Western HRM:**

Western countries are in charge of making and enforcing HRM rules and models that take into account a wide range of factors and the different points of view of HRM experts from all over the world. HRM frameworks or paradigms have been talked about by academics from different theoretical backgrounds, like Davenport and Prusak, at different times. Davenport says that this smart HRM framework isn't just in a company's written or digital records; it's also in everything the company does on a daily basis. Stone, who has done a lot of work in the field of HRM, has argued that contrary to what most people think, HR is not a separate field from



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management. Instead, it is a part of management that helps find and keep good employees and help them do their jobs well.

- **Measurement systems:** Finding the correct blueprints calls for some experience. Therefore, establishing HR performance evaluation standards relies heavily on the study's theoretical foundations. This is why it's crucial to have a well-developed research theory that spells out the study's overall aims and how they'll be attained. Correctly identifying the applicable theory, structures, and variables is a prerequisite for every academically sound study.

**Standard international system:**

Western countries mostly develop the rules and models for HRM that take into consideration a wide range of challenges and the opinions of HRM professionals from across the world. Potential HRM frameworks or paradigms have been considered in the past by academics from a range of theoretical backgrounds, including Davenport and Prusak. According to Davenport, a company's intelligent HRM framework is integrated into both its daily activities and its written or digital records. Contrary to what many people think, Stone, a specialist in HRM, has argued that HR is not a separate subject from management. Instead, it is a management duty that assists companies in finding and keeping competent employees who can carry out their tasks efficiently (**Gartner, 2020**).

On basis of the above discussion, the researcher formulated the following hypothesis, which was analysed the relationship between Standard international system and Western HRM.

**H<sub>02</sub>: “There is no significant relationship between Standard international system and Western HRM.”**

**H<sub>2</sub>: “There is a significant relationship between Standard international system and Western HRM.”**

**Table 4: ANOVA Sum**

<b>ANOVA</b>					
<b>Sum</b>					
	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Between Groups</b>	39936.307	289	3987.632	2356.857	.000
<b>Within Groups</b>	145.083	310	1.642		
<b>Total</b>	40081.390	599			

In this study, the result is significant. The value of F is 2356.857, which reaches significance with a *p*-value of .000 (which is less than the .05 alpha level). This means the “*H<sub>2</sub>: There is a significant relationship between Standard international system and Western HRM.*” is accepted and the null hypothesis is rejected.

## **9. CONCLUSION:**

This research contributes to the literature on HRM by examining the hypothesis that HRM practises and HRM-strategy integration improve organisational performance across foreign contexts. Researchers believe this is the first research of its kind to examine the correlation between human resource management and the success of businesses with foreign investment in the Republic of China, including data from different companies in China and western countries. The findings lend credence to the idea that HRM practises and HRM-strategy integration have a beneficial impact on business results. The researchers’ findings, together with the findings of other studies on HRM and company performance, suggest that the time and money spent on HRM are well spent. This research provided overall support for the hypothesis that Western human resource management strategies are associated favourably with company performance in China. They contribute significantly to the literature by showing that Western HRM approaches can be used in China to enhance company efficiency despite differences in ownership structure, sector, geography, or size.

## **10. LIMITATIONS:**

The researcher did not review any domestically published Chinese management literature, which limits the scope of the current inquiry. Local Chinese academics may have a more in-depth understanding of Chinese management phenomena, but their inability to connect with their international academic peers is the biggest barrier to their work being published. However, it is still worthwhile to conduct a separate review of contemporary writings. Surveys offer several benefits. However, the reliability of survey data is very dependent on the survey structure and the accuracy of answers provided by the respondents.

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