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978-1-107-01355-1 - Managing Human Resources in China: The View from Inside Multinationals

Yu Zheng

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Managing Human Resources in China

China is undergoing a dramatic transition from the old to the new as the country integrates into global product and labour markets. *Managing Human Resources in China* examines the emergence of new and hybrid forms of employment practices within Chinese multinational corporations (MNCs) from the perspective of local stakeholders. These include managers, workers and government officials, who take part in strategic planning and policy implementation whilst coping with the pressure of an ever-changing environment. Working in and observing four foreign-invested manufacturing plants located in one of China's new industrial clusters, Yu Zheng offers a fresh perspective on the management of MNCs. The voices of employees have not been heard before, yet they are the critical actors in China's transformation through foreign direct investment. This book explores the pains and gains, achievements and setbacks of managing the Chinese workforce, which is ever pragmatic, increasingly assertive and constantly evolving.

YU ZHENG is a lecturer in Asian Business and International Human Resource Management at the School of Management, Royal Holloway, University of London. Her research interests are in international human resource management, cross-country transfer of management practices and comparative employment relations. She is currently a member of the Euro-Asia Management Studies Association.

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Preface

China is in dramatic transition from an old to a new economy as a consequence of the country's integration into global product and labour markets. Given the scale and spread of foreign direct investment in China, the tensions and triumphs of managing human resources in multinationals have attracted increasing attention from academics and practitioners. However, we still lack a book that tells the story of managing human resources in China from the perspective of "actors" inside multinationals, the people who handle the day-to-day work and cope with the pressures within this ever-changing environment.

In taking an actor-centred approach, I am able to explore the broader meanings of China's country context for managing human resources in multinationals. Instead of interpreting China's immature labour market, non-transparent state-business relations and underdeveloped social infrastructure as *obstacles* to the transfer of more sophisticated management systems, I show China as a site where actors have considerable space for developing alternative management practices that fit organizational needs. In this sense, China's transition allows actors to assess, interpret and negotiate the relevance of the existing management repertoire regardless of origin: whether parent companies, local firms or international business counterparts. New and hybrid forms of human resource management practices are not simply the "adoption", "adaptation" or "re-institutionalization" of established management recipes. Rather, the *emergence* of subsidiary human resource management practices entails workplace-level choices, made through interaction with dynamic local labour markets and changing local institutions.

Adopting an actor-centred approach responds to calls for studies that broaden our understanding of multinationals. This book is based on insiders' views of subsidiaries of multinationals. By examining the process of managing the local workforce, I show subsidiary actors'

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interests, tactics and restraints in deciding human resource management practices. While the focus here is the subsidiary level, I do not, by any means, intend to isolate subsidiaries from the wider corporate and local business networks. The very fact that subsidiaries are both empowered and constrained by international and local stakeholders means actions are often the product of political struggle, with actors contesting different repertoires in the management of local employees.

Finally, by taking an actor-centred approach, I am able to tackle the human resource management implications of the strategic reorientation of multinationals in China. If any conclusion can be drawn about China's economy after the recent global recession, it is that the country's export-oriented growth mode has to change, voluntarily or involuntarily. Being both the major contributors to and beneficiaries of this growth mode, many multinationals in China are now reviewing, or have already reviewed, their local strategy. In this book, I explore the consequences of such strategic reorientation in terms of organizational structure, job design and employment relations in subsidiaries. I show how actors are able to reposition the strategic function of subsidiaries as multinationals review their global and regional strategies.

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I must thank my informants from the companies that participated in my study. To keep their identity confidential, I cannot write down a list of names here. But their insiders' perspectives have tremendously enriched my knowledge of the management practices adopted by Japanese subsidiaries in China. Stories of achievements and setbacks in their daily work as well as managing these subsidiaries are the making of my work.

I am most grateful to the researchers at the Euro-Asia Management Studies Association Conferences, the International Labour Process Conferences and the Critical Management Research Workshop of the Academy of Management Conference. They gave me invaluable feedback on papers, many of which have become chapters or sections in this book.

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