

Index

- accident insurance, 116
- adaptive orientation for MNCs, 30
- anti-corruption initiatives, 124
- Asian financial crisis (1997), 78, 80, 81
- Asian people management system, 232
- automobile industry, 62, 81

- bankruptcy, 80
- best fit and functional equivalence
 - strategies, 20–21
 - contingency approach for, 24
 - country-of-origin effects/ownership, 26–28
 - global integration and local responsiveness, logic of, 30–32
 - headquarters' international orientation, 25–26
 - host country effects/locality, 28–30
 - industry sector and production strategies, 32–34
 - integrative frameworks of studying IHRM, 34–37
 - internationalization, stage of, 25
 - goals and concerns of internationalization, 21–24
- best practice in HR, principles of, 18–20

- capital-intensive synthetic fibre manufacturing companies, 62
- capitalist system, 48
- career development strategies, 10
- case study approach, for subsidiary HR practice development, 53–57
- Catalogue for the Guidance of Foreign Investment Industries*, 88
- centralized hub model, for control of subsidiary company, 27
- China
 - best practice HRM, 92
 - CJV ownership, 85
 - entry into the WTO, 81
 - legislative institutions in, 88–90
 - China Labour Statistics Bureau*, 96
 - China Statistical Year Book*, 92
 - Chinese local companies, ownership and management of, 76
 - “Chinese model” of employment practices, 5
 - Chinese–Foreign Cooperative Joint Ventures (CFCJV), 76
 - Chinese–Foreign Equity Joint Ventures (CFEJV), 76
 - cognitive learning, 9, 45
 - accumulative tenure of expatriates, 197–99
 - constitution of subsidiary knowledge, 196–97
 - frequency of flexpatriates, 199–200
 - management embeddedness, 200–06
 - collective learning, 42
 - collectively recruited employees, 114
 - commodity chains in China, 99–101
 - analysis of, 33
 - community firms, 242
 - competing management practices, 244
 - competitive strategies, definition of, 33
 - Confidentiality Agreement*, 68
 - “conglomerate illness”, 248
 - consumer behaviour, 52
 - “contingency-employment practice match” thesis, 6
 - contracted employees, 114, 115
 - contractual joint venture (CJV), 85
 - control mechanisms, typology of, 27
 - convergent modern enterprise system (CES), 91
 - coordinated federation model, for control of subsidiary company, 27

- corporate strategy, 11
- “cost leadership” strategy, 94
- country-of-origin effect, 26–28, 58, 59, 60, 250
- creditworthiness, 159
- cross-country management, 241
- customer services, 130
- danwei* (work unit) system, 1, 94
- decentralized federation model, for
 - control of subsidiary company, 27
- decision-making, 37, 44
 - processes for, 26
- Deng, Xiaoping, 77
- dominance effects, concept of, 19
- dual citizens* expatriates, 39
- dual-allegiance model, for analysing
 - differences in managers’ personal career expectations, 39
- eclectic paradigm, for transaction cost analysis, 23
- employee loyalty, 202
- employees’ social insurance, 116
- Employment Contract Law (2008), 89
- employment legislation, 89
- employment practices
 - Chinese model of, 5
 - managers’ actions for development of, 3
 - of MNCs in China, 4–9
 - in SOEs, 92
- employment, by enterprise ownership, 95
- enactment → selection → retention cycle, 31
- enterprise unions, 60
- Equity Joint Ventures (EJV), 85
- expatriate employment, type and frequency of, 248
- expatriates, accumulative tenure of, 197–99
- exportive orientation for MNCs, 30
- external management embeddedness, 201
- flexpatriates, frequency of, 199–200
- Foreign Currency Control Regulations, China, 129
- foreign direct investment (FDI), 75, 76–77, 247
- Foreign Exchange Control Bureau of China, 80
- foreign invested enterprises (FIEs), 76, 77, 80, 89
 - HR practices in, 243
 - industrial clusters, effect on goods commodity chains in China, 99–101
- foreign ownership restrictions, 105
- free agents, 39
- global best HR practices’ model, 19
- global commodity-chain analysis, 44, 222
- global integration and local responsiveness, logic of, 30–32
- go native* expatriates, 39
- group company system (GCS), 91
- Guangdong International Trust & Investment Corporation (GITIC), 80
- hearts at home* expatriates, 39
- hierarchical training, 141
- “high performance work practices”, 18
- home-country effect, on HR practice development, 240–45
- host-country effect, on HR practice development, 28–30, 240–45
- “*hou-ren-sou*”, concept of, 165
- household white goods commodity chains in China, 99–101
- human resource management (HRM)
 - headquarters-centred research approach in studying IHRM best fit or functional equivalence, 20–38
 - best practice, 18–20
 - convergence, divergence and cross-vergence pressures on subsidiary management, 18
 - limitations of, 38–41
 - quality of, 17
 - staffing strategies, 25
 - strategic choice perspective and functional equivalence, 37–38

- industry sector and production strategies, 32–34
- industry sector, effect of third-country competition on, 240–45
- innovation, 33
- innovative management practices, 251
- “in-patriation-repatriation” programme, 220, 231
- Integrative Framework of Strategic Human Resource Management in MNCs*, 34, 35, 36
- integrative orientation for MNCs, 31
- internal management embeddedness, 201
- international human resource management (IHRM), 17, 194
 - conceptualization of, 40
 - implication of sector characteristics for, 44
 - integrative frameworks of studying, 34–37
 - “strategy as a plan” approach, 44
- international trade transaction cost analysis, 21
- internationalization, goals and concerns of, 21–24
- “iron rice bowl” of SOEs, 91, 92, 231, 242, 248
- Japan–China Trade Promotion Organization (JCTPO), 90
- Japanese foreign direct investment (FDI) to China, 75
- Japanese-invested companies, 123, 125
 - Japanese-invested companies overseas: sorted by destination countries* database, 61
- Japanese investments in China, 77–87
- Japanese Language Proficiency Test (JLPT), 170, 171
- Japanese MNCs
 - entry mode into Chinese market, 85
 - management control in, 228
 - subsidiaries of, 98
- Japanese-style HRM practices, 46
- Japanese subsidiaries in China, 60, 81
- job security, 115
- joint ventures, 5, 101, 105, 124
- kanpan* system, for enhancing productivity in parent company, 208
- labour markets in China, 60
- Law of the People’s Republic of China on Chinese Foreign Cooperative Joint Ventures* (1988), 76
- Law of the People’s Republic of China on Chinese–Foreign Equity Joint Ventures* (1979), 76
- Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises* (1986), 76
- lean production system, 26
- learning subsidiaries, 33
- lifetime employment, 231
- localization of companies
 - meaning of, 56
 - policy of, 201, 203, 220
- logistics, 83
- Management by Objectives (MBO), 120
- management embeddedness, 200–06
- management learning, 3
 - categories of, 9
 - cognitive learning, 196–97
 - accumulative tenure of expatriates, 197–99
 - frequency of flexpatriates, 199–200
 - management embeddedness, 200–06
 - concept of, 41
 - cycles of, 41
 - managers’ choice, 42–46
 - process for, 54
 - routine-based learning
 - for HRM routines adopted at the subsidiaries, 208–14
 - production arrangements and transfer of manufacturing techniques, 206–08
 - social process and differentiation of HRM practices, 214–21
 - types of, 45
- management policies and practices, impact of national, industrial and corporate institutions on, 44

- managerial training programmes,
 - Japan, 117, 121
- manufacturer–retailer relationship, 130
- market-based competition, 47
- market-oriented economy, 77
- market-oriented reforms, 2
- micro-economic perspective, 76
- MNCs in China
 - employment practices of, 4–9
 - foreign direct investment inflow, 76–77
 - international HRM strategy, 17
 - Japanese investments in China, 77–87
 - labour shortages, 96
 - local enterprises, 88
 - and diversity of local practices, 90–94
 - legislative institutions, laws *vs.* policies, 88–90
 - macro-economic perspective, 88
 - rising labour costs and mobility of the local workforce, 95–99
 - local management model of, 4
 - new industrial clusters, 99–101
 - subsidiary management.
 - See* subsidiary management in China
- multinational corporations (MNCs)
 - factors affecting international HR strategy, 34
 - heterarchical power structure for the autonomy, 43
 - influence on host countries, 29
 - international HRM strategy, 26, 40
 - leverage of subsidiaries within, 43
 - management orientation, 30
 - overseas subsidiaries of, 55
 - political economy analysis of, 41
 - power relations in, 42
 - production and service units, 45
 - regional headquarters (RHQs), 35
 - strategic decisions, 38
 - subsidiary HR practices, 26
 - types of, 30
- Nantong (Chinese textile industry cluster), 149–51, 172, 178
- national business system (NBS), 29, 75
- national culture value, 29
- network-based control mechanism, 75
- new international division of labour,
 - concept of, 44
- newly industrialized economies (NIEs), 78, 80
- NVivo (qualitative data analysis software programme), 70
- occupational training, 141
- OLI paradigm, for transaction cost analysis, 23
- on-the-job training, 121, 124
- organizational learning, concept of, 31, 32
- overseas subsidiaries of MNCs, 55, 68
- ownership of resources, 23
- parent HR practice differentiation, 213, 237
- peasant workers, 2
- performance appraisals, 242
- political networking, 3
- power struggles
 - in control and resistance in developing local HR practices, 227–30
 - expatriate distribution in, 227
- price competition, 111
- privately owned companies, 93, 243
- product development, 222
- product differentiation, 33
- product life-cycle, 25
- product quality, 94
- production strategy analysis, 75
- progressive management transfers, 4
- quality-to-price ratio, 107
- quantitative *vs.* qualitative approach,
 - for development of subsidiary HR practices, 52–53
 - case-study approach, 53–57
 - sampling strategy, 57–64
- Reform and Opening-up Policy, 76, 77, 79
- reproductive factories, definition of, 251
- reproductive subsidiaries, 33

- research design for subsidiary HR practices
 - for constructing reliability, 69–70
 - for constructing validity, 64–68
 - data collection processes for, 70–73
- routine-based learning, 9, 45
 - for HRM routines adopted at the subsidiaries, 208–14
 - production arrangements and transfer of manufacturing techniques, 206–08
 - social process and differentiation of HRM practices, 214–21
- salary system, performance-related, 119
- sampling strategy, using quantitative data for case selection, 57–64
- science and technology development, 47
- SF-A Co., 223
 - accumulative tenure of expatriates in, 198
 - compensation policies, 172
 - “compete by best quality” business strategy, 157
 - competence allowance, 171–73
 - corporate networks, 158
 - creditworthiness criteria, 159
 - educational background and experience of local managers, 248
 - employment groups in, 214
 - factory inspection tour, 162
 - group-based problem-solving, 165
 - healthcare benefits, 221
 - HR policies and practices, 160, 177
 - Japanese language training, 169
 - job design and HRM routines, 166–67
 - appraisal and promotion, 173–74
 - recruitment and selection, 167–69
 - retention and dismissal, 174–75
 - reward and compensation, 171–73
 - training and development, 169–71
 - management embeddedness in, 201
 - management learning, in the construction of subsidiary management practices, 160–61
 - consensus building and teamwork, 164–66
 - hierarchical supervision and close control, 162–64
 - visualization of rules and regulations, 161–62
- management trainee programme in, 231
- off-the-job training system, 169
- on-the-job training system, 169, 170, 171
- organizational structure, design and features of, 162, 163
- Outstanding Suggestions Prize, 165
- pay-for-job grade system, 171, 245
- power struggle at subsidiary level, 153–54
 - local business development and credit control, 159–60
 - product development and R&D, 157–59
 - subsidiary-developed business and parent-controlled business, 155–57
- process of integrating local managers, 175–77
- production quality meetings, 165
- production upgrading and changing subsidiary role in corporate business networks, 151–53
- quality control strategy, 161
- quality inspections, 155
- quality standards, 157
- self-directed sales network, barriers in development of, 160
- separation of the sales division, 156
- “suggestion scheme” practice, 165
- technical skill allowances, 171
- working groups, 162
- workplace safety and complete implementation of “5S”, 161
- SF-B Co., 172, 196, 214
 - accumulative point scale, for assessment of employee performance, 187
 - accumulative tenure of expatriates in, 198
 - “compete by specialization” strategy, 178
 - competition in the Chinese market, 178

- financial subsidy to senior local managers, 186
- formalized integration and role of local managers in the global HR strategy, 183–84
 - recruitment and selection, 184–85
 - retention and exit, 189–90
 - reward and appraisal, 187–89
 - training and development, 185–87
- localization strategy, 192
- management embeddedness in, 203
- management training, 186
- “merit/competence-oriented” assessment, 187
- on-the-job training system, 185, 186
- pay-for-job grade system, 183, 187, 188
- product range, 178
- production and quality control processes, 181
- production upgrading, role of the local management team in, 180–83
- promotion policy, 186
- regional headquarter-centred network, 178–80
- seniority-based wage, 181
- as a subsidiary adopting “global best practices”, 177
- technical networks, 223
- shop-floor workforce, 241
- social insurance system, 2
- social learning, 9, 45, 46
- social marketing, 53
- social security system, 60
- society and dominance effects framework, 243
- special economic zones (SEZ), 77
- spinning mills, 150
- spurious relationships, problem of, 65
- state-owned enterprises (SOEs), 59, 80, 89, 90, 242, 243
 - employment practices in, 92
- strategic planning, 10
- strategic repositioning
 - in corporate networks, 222–27
 - global commodity-chain analysis for, 222
 - in managerial networks, 225–26
 - in technical networks, 222–23
 - in transactional networks, 223–25
- strategy enactment, 3
- subsidiaries
 - home-country effect on, 240–45
 - host-country effect on, 240–45
 - industry sector and the presence of third-country competition, 240–45
 - management team composition, impact of, 248–49
 - relational networks of, 239, 245–47
 - relationships with their business partners, 239
 - types of, 33
- subsidiary differentiation, 237
- subsidiary embeddedness, concept of, 43, 240
- subsidiary employment practices, development of, 8
- subsidiary HR practice differentiation, 213
- subsidiary HRM
 - actor-centred approach, development of, 41
 - managers’ choice, power struggles, strategy enactment and management learning, 42–46
 - subsidiary managers, as informed and constrained actors, 46–48
- dynamics in development of. *See* management learning; power struggles; strategic repositioning
- interdependence between different units of MNCs, 43
- management learning, types of, 45–46
- practice development, 39
- quantitative *vs.* qualitative approach, 52–53
 - case-study approach, 53–57
 - sampling strategy, 57–64
- research design for. *See* research design for subsidiary HR practices
- subsidiary-specific advantages and diversity of, 249–50

- subsidary international human resource management (SIHRM), 47
- subsidary management in China, 149
 - actor-centred approach for, 9–11
 - convergence, divergence and cross-vergence pressures on, 18
 - management of human resources. *See* human resource management (HRM)
 - using ethnographic method, 11–13
- subsidary managers, 243
 - capacity for influencing strategic planning at headquarters level, 222
 - deployed to influence HR policy formation, 228
 - as informed and constrained actors, 46–48
 - institutional, structural and corporate pressures, 230–34
 - management learning, 45
 - role of, 38
 - strategy of upgrading production or service provision within MNCs, 45
- supplier–producer–distributor networks, 32
- Survey of Overseas Invested Companies* (2005), 62
- synthetic fibre industry, 148, 150, 180, 204
- system, society and dominance effects framework, 47
- technical support centres, 130
- teikei*, 109
- temporary employees, 114
- temporary workers, 115, 116
- textile goods commodity chains in China, 99–101
- textile industry, 62, 82
- township and village enterprises (TVEs), 93
- Toyo Keizai Data Bank*, 12
- Toyota, 81
- trade unions, 26, 44, 60, 239
- transaction cost analysis, 21–22
- transportation machinery industry, 81
- triangle debts, 91
- United Nations Development Programme, 91
- unskilled rural labour, 149
- WG-A Co., 104, 105, 106, 243
 - accumulative tenure of expatriates in, 198
 - annual labour turnover of, 115
 - decision-making processes, 107
 - educational background and experience of local managers, 248
 - frequency of flexpatriates, 199
 - “in-patriation-repatriation” programme, 214, 231
 - job design and HRM routines, 111–14
 - appraisal and promotion, 119–21
 - recruitment and selection, 117–18
 - retention and exit, 123
 - reward and benefits, 119
 - training and development, 121–23
 - workforce composition, 114–16
 - job security, 115
 - market position, 107
 - product line, 107
 - shop-floor layout, 111
 - struggle to upgrade, 106–07
 - building up a local business network, 107–11
 - job design and HRM routines, 111–23
 - local management team, choices and actions, 123–25
 - workplace regulation, 113
- WG-B Co., 104, 105, 106, 214, 227, 243
 - accumulative tenure of expatriates in, 198
 - business strategy, 144
 - Chinese R&D centre, 131
 - current pay scheme, 139
 - factors contributing to financial success in China, 126
 - family-friendly welfare package, 144
 - financial performance, 126
 - frequency of flexpatriates, 199
 - internal promotion principle, 137

Index

287

- as Japanese–Chinese joint venture, 127
- job design and HRM routines, 138
 - appraisal and promotion, 142–43
 - composition of workforce, 138–39
 - recruitment and selection, 139–40
 - retention and dismissal, 143–44
 - training and development, 140–42
- mid-career recruitment scheme, 139
- organization and management of, 126–27
- ownership structure, changes in, 128
- positioning in the new business structure in China, 127–33
- power struggle in organizing production, 133–36
- production and management practices, 133
- purchase–production–supply chain, 131
- quality control cycles, 135
- wage differences, 137
- youth training centre, 138, 141, 146
- white goods manufacturers, ownership restructuring, price competition and product upgrading, 105–06
- Wholly Foreign-Owned Enterprises (WFOE), 76, 85
- “window companies”, 80