There has been a growing awareness of the importance of human resource management (HRM) in the global arena and a greater understanding of its international dimensions. This trend is reflected in the "evolution" of texts such as those by Dowling and his colleagues.\(^1\) However, more "traditional" international HRM (IHRM) texts define the area too narrowly and descriptively, with little backing in systematic research. By comparison, Dowling and his colleagues, have shown an increasing interest in broader issues, subsidiary concerns, and theoretical development.\(^2\) IHRM needs to be better grounded to take account of "lower level" issues and practices, because this is where policies and practices are implemented and mediated and where possible constraints may appear.\(^3\)

For some, IHRM will simplify as HRM converges and universalizes under the impact of environmental changes such as globalization, benchmarking, and "best practices." Such universalistic views are not new and have received criticism from commentators whose perspective espouses diversity.\(^4\) Locke and Kochan supported this view and found that while several common patterns were emerging across advanced industrial states, at the same time cross-national variations existed in various aspects of employment relations.\(^5\) More recently, a review of research on HRM across a variety of Asia Pacific economies concluded that "convergence, and modern variants—universalism—should be questioned."\(^6\) Furthermore, developments in HRM may not simply be unidirectional. For some, "HRM heading East and Japanization heading West collided in an
Convergence and Divergence in Asian Human Resource Management

unholy tangle as the 1980s unfolded, with the result that widely varying styles of employee management have emerged.  

Convergence of HRM across national borders is, clearly, not a foregone conclusion. Globalization and international trade and finance may place substantial pressure on firms to standardize practices and policies. Local customs, institutions, and labor forces do, however, provide serious constraints on the degree of convergence and may well lead to increasing levels of divergence. This article explores these issues by considering the HRM practices in a number of diverse Asian countries. There are several reasons for using Asia as a “test bed” for such developments. First, there was the success of many of its economies and companies (even taking into account the 1997 Asian crisis) and the ideas of Japanese management practices and Japanization with its universalistic, “best practice,” and convergence overtones. Second, these economies are often grouped together as “Asian” and underpinned by “Asian values” on the basis of spatial and cultural proximity, thus it is fertile ground for intra-regional convergence. Third, given the regional range of stages of economic development, this choice also allows exploration of convergence both between advanced (Japan, Korea) and less-developed (China, Thailand) Asian economies. In short, it allows exploration of the hypothesis that despite some superficial similarity and cultural and spatial closeness and even common environmental forces, there may be factors constraining convergence and delivering divergence.

National Patterns of HRM

Various non-HRM specific theoretical approaches can be utilized to explore patterns of HRM practices in different countries. Four main theoretical views can be broadly placed within two categories. The first category provides support for the universalistic position and is underpinned by the structural characteristics of organizations (convergence, contingency). The second category provides reasons why differences between economies endure and are underpinned by cultural and institutional factors.

Reasons for Increasing Similarity

Convergence Theory

Early convergence theorists, such as Harbison and Myers and Kerr et al., assumed that the process of industrialization and the spread of advanced technology would move all countries towards political and economic systems similar to that of the United States. An implication of this approach is that there are “universal truths” that can be applied, such as in HRM. This is similar to Taylor’s “scientific management” that resulted in the view that there is “one best way” of managing. While such views were popular in the 1960s, they have subsequently received considerable criticism because they over-simplify industrial development and give too much emphasis to the impact of technology. Meanwhile,
there is still the issue of exactly what it is that is being converged towards. Almost a quarter of a century later, Kerr argued that convergence theory nevertheless remained valid. Such universalistic views continued to appear, or return in revised forms, as it was believed that the forces of convergence across countries was likely to overwhelm national differences. Convergence runs through many debates and management ideas, such as so-called “best practice” around which organizations would have to converge or else be at a competitive disadvantage. An implicit assumption is that the effects of “best practice” are not firm specific, but rather universal and transferable.

Such universalistic tendencies have been boosted by the spread of global communications, travel and consumer products, regional economic integration (such as the European Union), and internationalization. Furthermore, many hold the view that there is a worldwide tendency for political, socio-economic, and technological forces to push national systems, including HRM, towards uniformity. Is it believed that all countries are subject to these forces, with similar governmental roles in providing the workforce, infrastructure, and competition for the same international investment. Yet, there is ongoing debate about globalization’s impacts, meanings, and newness. Many of these concepts are not as new, all powerful, and universally applicable as they are often presented. These views tend to be too simplistic as they assume all organizations compete in the same ways.

Contingency Theory

Contingency perspectives recognized that a range of factors—such as differences in technology, or the stability of the environment in which firms operated—were important and affected working practices. For some theorists, organizations follow and adapt different HRM approaches and practices to the fit the external environment, or according to their stage of international corporate evolution. Nevertheless, these perspectives imply that there is still “one best way,” even within contingent variables. However, the assumption of similarities in itself may pre-empt and bias analysis of crucial differences. The major criticism of such universal theorists is that they fail to understand the ways in which managerial ideas and practices vary between countries, organizational levels, and individual employees. Arguments that focus on possible reasons for these differences have emphasized cultural or institutional factors.

Reasons For Differences

Culture

Hofstede argued that organizations are “culture-bound” and that there are no universal answers to the problems of organization and management, but rather that there are distinct “national economic cultures.” For example, the Japanese emphasis on “uncertainty avoidance” and social stability requires guarantees of job-security, while American emphasis on labor market mobility
indicates a willingness to accept greater uncertainty about future employment. Japanese collectivism rewards group achievement and minimizes pay differentials, while Anglo-Saxon individualism encourages personal incentives.

As Bhagat and McQuaid point out, culture was often used as "simply a synonym for nation and what are called cross-cultural differences are really cross-national differences." As Rowley and Lewis summarized, "national cultures are uniquely configured systemic structures and this makes the isolation and comparison of specific cultural attributes a hazardous enterprise. However, the a priori notion of economic culture by definition overlooks this systemic nature of culture, for it assumes that individual cultural attributes—specifically, those that are held to influence economic behavior—can be isolated and compared. By contrast, a posteriori notions of economic culture, while generally mindful of the systemic nature of national cultures, seem prone by their very nature to the temptation of post hoc reasoning."

The problem with cultural approaches is that they may give too much emphasis to history and individuals' perceptions. There is little account of how values change over time. For example, Hostede noted that "there is evidence of increasing individualism in Japan," where the "changing values of the younger generation have made employers reconsider some work practices." In Korea, ideas concerning greater individualism and less collectivism have also gained some ground.

In short, the cultural approach can become a "black box" into which all differences are explained. Yet, values on their own are not enough, they need to be rooted in the social and economic structure of a given society. For example, Whitehill argued that culture includes not only the values held by individuals and relations between people at work and in their families, but also the structure of the firm and society. For Evans and Lorange, both product-market and socio-cultural "logics" shape HRM policy. Approaches that have tried to take account of these broader factors are often referred to as institutional approaches.

**Institutional Approach**

The institutional view argues that the traditional values and practices are embedded in a country's social and economic institutions. The success of economies is not attributable simply to cultural forces, such as a strong "work ethic" and "discipline," but to a range of institutions. In Japan, for example, government support through various agencies (i.e., the Ministry of International Trade and Industry), substantial enterprise training, and consultative practices have underpinned success. Whitley argued that pre-industrial history and the processes of industrialization shaped institutions that in turn have shaped Asian business systems. Similarly, others argued that we cannot examine separate aspects of a system without locating it in its specific societal context. Maurice et al., for example, explained manufacturing differences by a range of factors including the educational and training system, nature of the business organization, and differences in business organization and structure.
These views have not, however, escaped criticism. First, they tend to pre-
sent a static view of a national industrial “order” and they offer no account of
how change comes about. Second, they fail to recognize that divergent and con-
tradictory practices may well exist within one society. Finally, little attention is
paid to the nature and changing role of the state.

Problems with Convergence and the Evaluation of Change

While many expect national HRM practices to universalize and converge
over time, others would argue that practices are varied and specific, and they
expect them to remain so or even to diverge. Indeed, even convergence at the
global level in terms of economic forces and technologies “may result in diver-
gence at the national and intra-national level, as these forces are mediated by
different institutions with their own traditions and cultures.”

Limitations on prospects for convergence include:

• countries are at different stages of industrial and economic development;
• distinctive political-economic frameworks;
• unique value systems, cultural features, and institutions;
• intra-national heterogeneity (increasing with organizational decentraliza-
tion and flexibility);
• different choices at macro (society) and micro (organization) levels on
the nature, content, and process of employment relationships;
• divergence between stated institutional frameworks and the reality of
practice;
• variations in the spread, take-up, and operation of technology; and
• alternative solutions to common problems.

Furthermore, from a theoretical perspective the convergence/divergence
dichotomy raises a number of questions. It is often the same factors (e.g., tech-
nology, flexibility) that are seen as producing both convergence and divergence.
Even the terms themselves are problematic as “convergence” implies a coming
together and “divergence” a moving apart. Therefore, is continuing variety evi-
dence of convergence or divergence? How do we define, distinguish, and mea-
sure them? How do we distinguish operation in practice versus prescription
and rhetoric? Crucially, how do we distinguish levels of acceptance of practices
within individual organizations and people? These questions serve to remind
us of the difficulties so often ignored by commentators in the area.

Some problems still persist, such as with definitions and identification
of key components of systemic “deep structure” (the network of fundamental
assumptions and principles underlying the basic configuration). When identi-
fying an HRM paradigm for a particular country, we need to consider all the
complex and interacting factors. One way to view these is within the framework
outlined in Figure 1, a modified version of the model developed by Bae and
FIGURE 1. Possible Tensions and Gaps in Asian Human Resource Management Systems

Environmental Changes
- Globalization
- Technology
- Multinationals

Systems/Practices
- HRM Changes
  - Pay: performance
  - Resourcing: flexible
  - Work: teams
- Universalism
  - Best practices
  - Global standards

People/Culture
- Organizational Shared Mindsets
  - Seniorityism
  - Lifetime Employment
  - Ingroup Harmony
  - Institutionalization
- National Culture
  - Collectivism
  - Individualism
  - Cultural Profile
  - Neo-Confucianism

Notes (also see text):
The exact type and extent of these, such as "shared beliefs" and "national culture" vary, but include the following:
- Seniority: rewards/promotion according to age/seniority in organization rather than merit/ performance.
- Lifetime Employment: job guarantees and careers within organizations.
- In-group Harmony: harmonious intra-group relations—e.g., in Korea, inwha, especially among individuals not equal in prestige, rank or power.
- Collectivism: strong sense of group belonging, subsume own goals to collective goals.
- Individualism: strong belief in individuals and their role.
- Cultural Profile: "country institutional profile," set of "regulatory" (i.e., laws, rules), "cognitive" (i.e., schemas, frames, inferential sets), and "normative" (i.e., values, norms) institutions. [T. Kostova, "Transnational Transfer of Strategic Organizational Practices: A Contextual Perspective," Academy of Management Review, 24/2 (April 1999): 308-324.]
- Neo-Confucianism: as Confucianism, the influence of values, attitudes and norms, with its way of thinking and modes of conduct centered on family life—e.g., in Korea, the chibon (extended "clan") underpins much HRM as founders resource, organize and manage businesses on principles governing family life.

Source:
Convergence and Divergence in Asian Human Resource Management

Rowley. The framework has two dimensions: unit of analysis (organizational versus national) and focal point (systems/practices versus people/culture). These dimensions present four potential influences on HRM and hence four possible gaps in HRM systems.

There are two gaps that can act as constraints on convergence. The first is the universalism versus national culture gap. “Cultural distance” has been used extensively as a critical explanatory factor in various areas. Kostova used the term “country institutional profile.” The second constraint emerges from the gap between the newly adopted HRM changes and organizational mindsets. Practices may be incongruent with prevailing employee values. Successful adoption depends upon the degree of the HRM practice’s “institutionalization” at two levels. The first is at the “implementation” level where employees simply follow formal rules. This is the relatively shallow level that is often used to support HRM convergence. A second and deeper level is “internalization,” which is attained when employees have commitment to, satisfaction with, and psychological ownership of the practice. This is less readily “visible” transference (and more difficult and time consuming to research). Thus, gaps between adopted practices and mindsets reflects a lack of internalization, representing failure to infuse the practice with values. It may be easier to implement, but much more difficult to internalize, certain practices. Therefore, even if these are “best practices,” they may not bring positive effects until people fully accept them.

Clearly, the key issue is to move beyond broad-brush portrayals of HRM change. We need to disaggregate and distinguish aspects that may be converging from those that remain distinct or even divergent. As Child observed, simultaneous evidence for both continuity and divergence may result from research, with convergence studies focusing on macro-level variables (structure, technology) and divergence studies concentrating on micro-level variables (behavior of people in organizations). Furthermore, some suggest convergence and contingency approaches are complementary, operating at different levels of a HRM system’s structure. These levels are:

- system architecture—the guiding principles and basic assumptions (“deep structure”);
- policy alternatives—a mix of policies consistent with architecture (“architectural fit”) and appropriate internal/external fit;
- practice process—best-in-class implementation and techniques, given appropriate decisions at the architecture level.

Change at any one level does not automatically imply change at another level. Often, espoused policy at the level of system architecture is resisted by people at lower levels as it may be unworkable due to local customs and practices, lack of training, or even ignorance. At the level of practice, operational strategies may be tolerated by higher levels but not built into policy or architecture due to procedures, ignorance, or wider environmental constraints. For Becker and Gerhart, universal (“best practice”) effects would be expected at the
system architecture level. At the policy and practice levels, however, divergent phenomena would be more likely. Therefore, the issue of transferability and convergence of HRM systems becomes more a matter of degree not of kind, and less about “all-or-nothing” and more about “what-aspects and how-much” choices.

Measurement and Research Methodology

The HRM Practices—Shared Mindset gap directly addresses the question of HRM change and whether enterprise HRM systems are converging. One way of operationalizing the system architecture, policy, and practice levels is to adopt Storey’s model of HRM.

The first level, system architecture (or deep structure), can be measured by differences in Beliefs and Assumptions. The second level refers to policy choices that are measured by Strategic Qualities and Managerial Roles. Finally, the third level refers to the Key Levers that are the actual HRM practices in the enterprise. These three levels and their corresponding dimensions represent an idealized version of HRM that will not be present in all Western enterprises. The value of this approach, however, lies in having a common reference point by which to measure changes in HRM.

Our research examined enterprises in four Asian countries: Japan, China, Korea, and Thailand. These countries were selected because they are at various stages of economic development and represent a variety of business systems. Japan is the most advanced of the four countries and has a well-developed business system that includes a strong internal labor market. The economic problems that have arisen in Japan over the past ten years have placed considerable pressure on enterprises and trade unions. This has been particularly notable in terms of employee redundancies and the increasing criticism of the annual wage-fixing arrangements. China is at the other extreme and can be classified as a developing country. Over the last twenty years, however, China has undergone significant reform and has achieved an annual growth rate of about 10 percent. State-owned enterprises have been substantially restructured. During this time, the government has introduced more than 20 pieces of legislation affecting employment relations.

Korea and Thailand fall in between in terms of economic development. Korea is clearly the more developed of the two countries, although its trajectory is quite different to that of Japan. Until 1987, Korea was under military rule and workers did not have the normal freedoms associated with trade unions. Macrolevel policies were a major influence on enterprises. HRM tended to follow a seniority-based system, with little emphasis on individual development or performance. Thailand’s economic development occurred a little latter, although by the 1980s it had emerged as one of the fastest growing nations in the region. Modern HRM practices were virtually absent from Thai firms up to this time.
The 1997 financial crisis proved a difficult period for Thai firms and it is only now that more sophisticated forms of HRM are emerging.

All four countries have experienced periods of substantial economic growth over the past four decades. The industrial relations and human resource policies of governments have been critical to this success. Nevertheless, the different development strategies of these countries have meant that a wide diversity of labor outcomes has occurred. The successful Asian economies have appeared to follow an outward, export-oriented strategy compared to those whose focus was an inward import-substitution approach. These export-oriented strategies are linked to particular HRM policies that stress training and human resource development. This has led to a degree of convergence in HRM. However, the ability of firms to move beyond basic HRM policies that stress training will depend upon their financial state, the quality of their management, and the skill level of their workforce. It is only in the later stages of industrialization that such a highly flexible set of HRM policies can develop. Clearly, the stage of economic development and the industrial strategies adopted critically affects the degree of convergence of HRM practices.

These four countries were included in the book Human Resource Management in the Asia Pacific Region. The research methodology adopted for each country was similar. As the aim was to probe the nature of HRM and the changes that were taking place enterprise-level case studies were deemed to be the most appropriate research strategy. While this would not allow for generalizations to be made, it would allow for a detailed examination of HRM to be undertaken as well to demonstrate the inter-relationships that exist between the various components of HRM. Contributing authors to this volume were asked to utilize a modified version of Storey’s 1995 model. This shortened version of the 25 dimensions provided by Storey was recommended, as not all the dimensions listed were relevant to a comparative analysis nor were appropriate data available.

This data was supplemented with later work by Benson and Zhu on China and Bae and Rowley on Korea. In addition, the current research being undertaken by the authors of this article in China, Korea, and Japan provided more details on the nature of HRM and the changes taking place. The type of firms considered in each of the four countries were medium to large firms in the private sector engaged in manufacturing. Some state-owned enterprises in China were also included as well as foreign-owned enterprises in China, Korea, and Thailand. In addition, some large family-owned businesses were also included in the Korean and Thailand cases. While we recognize that ownership is an important factor influencing HRM, it did appear that the differences were not substantial. Nevertheless, this composition mix does place an important caveat on the findings. The firms were not selected randomly, although all cases study firms were chosen to provide a representative cross-section of larger firms.

Data were collected in the period 1995 to 1998 by interviews with senior HRM managers in all companies. In some cases, line managers and union
officials were also present at these interviews. Four detailed case studies were conducted in Japan, five in Korea, and six in China. A larger number of cases, some 94 enterprises, were undertaken in Thailand. The data for Thailand is thus more representative than for the other three countries. The questions asked were designed to measure the extent to which the 12 dimensions, adapted from Storey, have been adopted. A summary of the three levels of HRM in these four countries is presented in Table 1. The symbols “•, •, 0” indicate the degree to which the idealized version of HRM is present. To this data we have added our assessment of the degree of change over the past ten years. We have based our assessment on the detailed research underpinning the four country case studies as well as our more recent research and information from wider surveys and government data. The symbols “•, •, 0” are used to represent this change. While the categories used in both cases are broad and the actual assessment for each country relies on a degree of subjectivity, the use of additional data as specified above confirmed the status and trends that were discovered in the case study analysis. This has provided more confidence in our assessments and has allowed for a reasonably accurate assessment of the degree of convergence of HRM in medium to large private-sector firms in each country.

HRM in Four Asian Countries

As can be seen from Table 1, the adoption of the idealized HRM model varies between enterprises in different countries and between the various levels of HRM structure. At the level of Beliefs and Assumptions, very little movement towards the HRM model was observed. Enterprises within the four countries believed in the need for clear rules that specify mutuality. These rules tend to restrict individual initiatives and do little to encourage commitment. There was little to suggest in the actions of these firms that they see human resources as providing a competitive edge and that these resources should be treated as a valued asset. This was particularly the case in enterprises in Korea, Thailand, and China that tended to view human resources as an incidental cost. With the exception of Japan, enterprises continued to rely on “custom and practice” as the major determinant in organizational behavior. Some change on this dimension was detected in enterprises in Korea and Thailand. In these cases, attempts were being made to develop clear statements of the enterprises’ values and missions. Little evidence exists, however, that these statements were important determinants of organizational behavior. Overall, the findings concerning the influence of Beliefs and Assumptions indicate that the architecture or deep structure of enterprise HRM in these countries has not changed to any substantial degree. The lack of change at this level suggests business structures, culture, and shared mindsets have been important constraints on convergence. Moreover, the current state of economic development of China and Thailand appears to provide a restriction on the adoption of these fundamental aspects of the HRM model.
### TABLE 1. Human Resource Management In Four Asian Countries

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beliefs and Assumptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impatience with Rules</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Values &amp; Missions</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Strategic Qualities and Managerial Roles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Oriented</td>
<td>★★★</td>
<td>★★★</td>
<td>N/A</td>
<td>★★★</td>
</tr>
<tr>
<td>Central to Corporate Plans</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Nurturing Managerial Role</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Importance of Line Managers</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Key Levers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom in Personnel Selection</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Individual Performance Pay</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Harmonization of Work Conditions</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Individual Contracts</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Teamwork</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Continuous Training</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
<td>★★★</td>
</tr>
</tbody>
</table>

Key:
- ★ practice present; ★ practice present to some degree; ○ practice not present; N/A data not available.
- Degree of HRM change over past 10 years: # substantial change; $ some change; O no change.

Notes:

Source:

Evidence of HRM at the policy level within the enterprise can be gauged by examining those dimensions listed under **Strategic Qualities and Managerial Roles**. If HRM has a strategic orientation, this should be seen in the centrality of HRM to business objectives, the focus on the customer as the key relationship, and the importance of line managers. Only minor movement on these dimensions has been noted in Chinese and Thai enterprises. Enterprises in Thailand were the least developed on these dimensions and there was little to suggest that
business strategies or line managers were key determinants of HRM. These enterprises had, however, attempted to develop a customer-oriented focus. In contrast, enterprises in China had made deliberate attempts to become more strategic in their HRM. Although somewhat under-developed, the customer-focus, business strategy, and line managers were beginning to play a role in the management of human resources. The differences between Japan and Korea on one hand and China and Thailand on the other clearly suggest that the state of development of the country and the ownership of the enterprise can, at least partially, explain these findings. Again, it is the case that national, cultural, and economic factors and the shared mindsets at the enterprise level have combined to resist convergence.

The adoption of the HRM model is most significant at the individual Key Levers level. Enterprises in all four countries had adopted, or moved towards adopting, most of the six practices examined. Freedom in personnel selection, teamwork, and continuous training are the most prevalent practices. Nevertheless, there has not been a uniform acceptance and the pattern is something of an ad hoc and “pick-and-mix” approach to the adoption of these HRM practices (confirming much other research, as in the UK). In many cases, cost pressures had driven the reforms, particularly those relating to personnel selection and to the individualization of contracts and incentive pay. The influence of multinational firms, the search for more value from human resources, and the increasing emphasis on quality in global markets also contributed to an increase in training for Korean and Thai enterprises. In the case of China, much of these reforms were driven by the central government as part of their attempt to develop a more market-oriented economy.

The precise nature of each practice varied considerably between the four countries and between enterprises within each country. For example, individual contracts are specified by law in China for all state-owned enterprises and are initially of one year duration. In contrast, in Korea contracts are more freely negotiated between the parties and can differ significantly between enterprises. With the exception of Japan, there was, however, little evidence to suggest that management understood the relationship between these variables or that they had attempted to integrate action on selection, pay, work organization, and training. Clearly, the linkages between the key levers are not well developed and, as Storey argued, this explains why enterprises have been able to relatively easily select individual elements of HRM.

Some examples from our case countries illustrate these findings. There are reports that seem to indicate that Korean enterprises have rushed to replace former HRM practices and systems, such as lifetime employment and seniority systems, with more “Western” flexible adjustment and pay practices. For instance, the number of companies on the Korean stock exchange with share-options schemes rose from 1.3 percent in 1998 to 13.0 percent in 2000. In the same period, profit sharing in 5,116 large companies rose from 4 percent to 18 percent. However, despite occurring in a period with the very strongest
environmental incentives to change (the recent Asian crisis and threatened bankruptcy for many), when examined in greater depth, changes are more ambivalent and constrained in terms of both their spread and, crucially, acceptance. Other examples from Korea show this dichotomy. While Korean labor law was relaxed to allow redundancies, and some high-profile instances have been reported, the reality is less clear-cut. Thus, Confucianism in labor markets remains, with paternalistic employers protecting (and bullying) employees. A Samsung subsidiary gave unpaid "paternity leave" to employees (female and male), Jinro was kept open by Seoul District Court to protect jobs, Kia remained proud of its "no-layoffs" agreement, and Hyundai's Ulsan car plant watered down its layoffs from 5,000 to 1,500—with only 277 actually being made redundant and the rest put on unpaid leave for 18 months.

Similar tensions can be seen in the example of Thailand. The long-term commitment, reinforced by legislation imposing high separation costs (at least for core workforces) common in Thai enterprises, still continues. Indeed, it would be difficult to see adoption of certain HRM practices in what remains a very much a collectivist culture, with the centrality of Theravada Buddhism to Thai culture contributing the HRM framework. Thai society is hierarchical in character (with tendencies to defer to "social superiors"), which is often reflected in the processes by which organizations are managed. Such "ordering" is supported by Buddhist doctrine, which encourages individuals to be accepting of their current situation in life (seen as a consequence of one's past life) and to work for a good "next life." In short, Thai culture is still a dominant influence in HRM. Given this, the individualism that is seen to be integral to HRM (e.g., appraisal systems, performance-related remuneration) will not find fertile ground at the present time.

As with Korea, many reports and articles in the press have suggested that major change is taking place within the Japanese enterprise HRM system. These reports have generally focused on the demise of lifetime employment and seniority pay. Nevertheless, while this has been the case in some firms, the vast majority of Japanese enterprises have retained the "traditional" system. The collectivist nature of Japan has meant that Japanese enterprises have been "slow" to reform their HRM practices. Thus individual contracts are not common in Japan and pay systems generally depend on collective negotiations with similar rewards being granted to all employees. Even where individual performance-related pay schemes have been introduced, these normally only account for a small proportion of total remuneration. Moreover, as Benson found, the usage of such schemes in Kansai manufacturing enterprises fell in the period 1991 to 1995. That this decline occurred when the economy went into a downturn reflects the under-developed nature of individual performance-related payment schemes that were tied to firm rather than individual performance.

Major changes have clearly taken place in Chinese state-owned enterprises in recent years. A recent study by Benson and Zhu concluded that the changes in HRM have been considerable but it was the transformational role
of key managers that was driving the process rather than values or missions. This has meant that the development of HRM has proceeded unevenly among enterprises. A number of factors were identified as being important in this process including markets, the impact of economic reform, and the financial state of the enterprise. Three forms of enterprise HRM were identified: minimal-ist, transition, and adoption. In short, globalization was beginning to have an impact on Chinese enterprises but this was happening within the confines of a centrally determined system, traditional cultural values, and a liberalization of the economy.

Discussion and Implications

This examination of HRM in large enterprises in four Asian countries suggests that the adoption of HRM has been at the level of practices rather than policy or basic architecture. It appears, at least superficially, that at this level convergence has occurred, but that the uneven nature of the changes supports Taira's claim that convergence is more about choices concerning "what-aspects and how-much." In short, convergence appears to be more about individual HRM practices than system change. The factors that led to some converge at the practice level include the operation and interactions of foreign and indigenous employees and MNEs in overseas and domestic markets, exposing them to other practices. Factors that impeded some convergence at the other two levels (policy, deep structure) included institutions and cultures. Convergence at the individual practice level is in contrast to what Becker and Gerhart expected; namely, that universal "best practice" would result in convergence at the level of the system architecture and divergence at the policy and practice level.

While the analysis illustrates that on some dimensions there may be some convergence towards an idealized version of HRM, the different take-up rates shows a degree of divergence in enterprise HRM in the four countries studied. Thus, for example, while large Japanese enterprises have continued with lifetime employment (at least for core workers) and continuous internal training, other countries have moved towards contract employment with increasing emphasis on external training and accreditation. This supports Whitley's proposition that different business systems will emerge out of different contexts and that they can be equally successful. It, therefore, appears that different configurations or bundles of HRM practices are emerging in these countries as a result of the pressures of internationalization and globalization.

Clearly, however, there are limitations to these findings. The research upon which these conclusions are based is limited in the selection of enterprises, their representativeness, and to a particular time frame. Moreover, the question of convergence to "what" has not been adequately dealt with. The idealized version of HRM by which comparisons were made has not been established as a general Western HRM approach, nor have the contradictions in such a model
been clearly addressed. As the Bae and Rowley model illustrated, enterprises in
Western societies would also face a range of constraints in introducing aspects
of the HRM model, such as the strategic aspects and individual practices of per-
formance-related pay.  

The consistency of the findings of this research match up with the argu-
ments presented by Rowley and others that the prospects for convergence would
appear to be low. More importantly, the findings show strong support for the
need to consider change at various levels and that the different levels of a HRM
system as proposed by Becker and Gerhart—namely, architecture, policy alterna-
tives, and practice process—is a useful way of analyzing the convergence.

This analysis shows the prospects for convergence due to gradual or evo-
lutionary change at the enterprise is low. However, HRM convergence could
still occur due to “revolutionary change.” This type of change would involve
a reconsideration of the deep structure of the HRM system. One way for this
reconsideration to arise is via externally imposed conditions, as happened to
Korea and Thailand during the recent Asian financial crisis. For example, one of
the conditions imposed on Korea by the International Monetary Fund for finan-
cial assistance was to legislate for an end to “lifetime employment.” Whether this
results in a new equilibrium position being established that is closer to the ideal-
ized HRM model is not, at this time, clear.

If management does not want to inhibit their ability to work effectively
in other countries, it needs to recognize their own possible parochialism and
ethnocentrism, while understanding and appreciating the variety of differences
between locations. The findings of this research have three major implications
for management. First, management of Western firms setting up operations in
Asian countries must recognize the gap between policy (“deep structure”) and
HRM practices. There is little to suggest in our research that policy will simply
translate into operational practices. In addition, national differences and culture
are important constraints on the introduction of parent company HRM.

Second, while the quality of human resources will be crucial to the
success of overseas investments, a different management approach to such
resources may need to be adopted. On this point, the research demonstrated a
definite lack of a strategic approach to HRM and little reliance on line managers
to play a key role in the management and development of employees.

Third, the interaction between various business contexts and cultures
means that in each country a “unique” HRM approach will develop. While at
the level of HRM practices this may represent a convergence towards a Western
HRM approach, it is clear that the differences will be important. Moreover, even
the convergence is subject to variability as the meaning and operation of a par-
ticular practice varies substantially between the countries considered above.
Conclusion

There are many difficulties in examining the issue of HRM convergence. The key question is not whether particular practices are being adopted, but at what levels (depth and acceptance) is convergence taking place and what are the limiting factors for this convergence. The model and concepts discussed here provide a blueprint for further research in this area. In short, such research must consider change at all levels (architecture, policy, and practice) and also extend the analysis beyond the HRM Practices—Shared Mindset gap to a consideration of the gap between Universalism and National Culture. Only by expanding the research agenda in these directions can the full complexities of questions of convergence be grasped and understood.

Notes

1. P. Dowling and R. Schuler, *International Dimensions of Human Resource Management* (Boston, MA: PWS-Kent, 1990); P. Dowling, R. Schuler, and D. Welch, *International Dimensions of Human Resource Management*, 2nd edition (Belmont, CA: Wadsworth, 1994); P. Dowling, D. Welch, and R. Schuler, *International Human Resource Management: Managing People in a Multinational Context* (Cincinnati, OH: South-Western College Publishing, 1999). This was the hope that was expressed a decade ago in the editorial introducing the first issue of a now key HRM academic journal. The editor was optimistic that with regard to international HRM (IHRM) it was possible to “establish the field as a social science discipline, in which theories and models are generated, and their propositions tested internationally by rigorous empirical research.” M. Poole, “Editorial: Human Resource Management in an International Perspective,” *International Journal of Human Resource Management, 1/1* (1990): 1. The subject area of IHRM deals with HRM issues and problems arising from the internationalization of business and policies and practices pursued in response to the internationalization process. H. Scullion, “International Human Resource Management,” in J. Storey, ed., *Human Resource Management: A Critical Text* (London: Routledge, 1995), pp. 352-382. Three approaches to IHRM have been noted [Dowling et al. (1999), op. cit.]. The first explores aspects of HRM in multinational enterprises (MNEs). Much IHRM work focused unduly on only the areas of international staffing (selecting and managing expatriate managers) and management development. If IHRM is taken to mean simply managing people in international firms, then it will neglect many areas. Rather, a field could be built around “a broader set of questions, which consider the lessons and outcomes for all stakeholders not just multinational firms and their managers.” Scullion, op. cit., p. 376. Also, much was actually written from American perspectives. The second approach focuses on cross-cultural management, where behavior within organizations is examined from an international perspective. The third approach focuses on comparative industrial relations (IR) and HRM—where attempts are made to describe, compare, and analyze systems in various countries. The injection and integration of more comparative views, approaches, and perspectives within IHRM can be useful. Such developments would help in providing more breadth and depth detail on IHRM, as well as in gaining a better grasp of “normality” versus “peculiarity” of HRM practices and systems. Greater use of such perspectives may have been useful in the early American-dominated work on IHRM (and, unfortunately, some of the more recent [see D. Briscoe, *Interna-
tional Human Resource Management (London: Prentice Hall, 1995)). However, there are problems with some of these approaches. P. Sparrow and J.M. Hiltrop, European Human Resource Management in Transition (London: Prentice Hall, 1994). First, IHRM may become a description of a variety of fragmented responses to a series of distinctive national problems. Second, by emphasizing differences between doing business internationally versus nationally, writers tend to overly-focus on MNEs and overlook many continuing similarities between domestic and international HRM. Third, IHRM is not simply about the “copying” of HRM practices, as many of these practices suit national cultures and institutions without necessarily being transferable. Fourth, models of IHRM are problematic partly because practices vary widely between nations and because there are difficulties with data, such as shortage, comparisons and changes over time, and language and meanings. See C. Brewster, “European Human Resource Management: Reflection of, or Challenge to, the American Concept?” in P. Kirkbride, ed., Human Resource Management in Europe: Perspective for the 1990s (London: Routledge, 1994), pp. 56-89; R. Pieper, Human Resource Management: An International Comparison (Berlin: De Gruyter, 1990).

2. See Dowling et al. (1999), op. cit.
15. See examples in Rowley and Benson, op. cit.
34. See Salamon, op. cit.
36. Bae and Rowley, op. cit.
39. Ibid., p. 311.
40. Ibid.


45. Ibid.


48. Whitley, op. cit.


51. Ibid., p. 12.


54. Bae and Rowley, op. cit.

55. Details of this approach are outlined in Rowley (1998), op. cit.


63. Taira, op. cit.

64. Becker and Gerhart, op. cit.

65. Whitley, op. cit.


67. Becker and Gerhart, op. cit., p. 786
