

MONASH UNIVERSITY
FACULTY OF BUSINESS & ECONOMICS

**CHANGES IN THE ROLE OF
GOVERNMENT IN HUMAN
RESOURCE PRACTICES IN CHINA:
IMPLICATIONS FOR
MULTINATIONAL CORPORATIONS**

Cherrie Jiuhua Zhu & Peter J. Dowling

*Working Paper 25/00
April 2000*

Abstract

Although reforms in human resource (HR) practices in China have been discussed in the literature, few articles have systematically examined the role played by the government in the two major HR practices (staffing and compensation) since the founding of the People's Republic of China (PRC) in 1949. Furthermore, there has been little analysis of the changes that have occurred in the government's role since the commencement of economic reforms in 1979. A number of questions arise. First, how has the government changed its traditional practices in staffing and compensation? Second, what are the implications of such changes for multinational corporations (MNCs) which currently have subsidiaries in China or are planning to invest in China? This paper seeks to answer these questions in four segments. First, the dual role of the government and its subsequent relationship with industrial enterprises during Mao's regime is examined, reflecting on the administrative, rather than economic, nature of such a relationship. Second, the transition of staffing practices from highly centralised labour allocation to 'two-way' selection in a newly emerged free labour market is reviewed. The radical changes in the compensation system and practice is the focus of the third part, highlighting how centrally fixed wage scales have shifted to enterprise-determined pay packages. Finally, the implications of these changes for MNCs in China are discussed, including the issues of obtaining a skilled workforce, distribution of rewards and decision-making with regard to performance-related pay.

Paper presented at The Third International Symposium on Multinational Business Management: The 21st Century Global Corporation, Nanjing University, China, December 10-12, 1999.

CHANGES IN THE ROLE OF GOVERNMENT IN HUMAN RESOURCE PRACTICES IN CHINA: IMPLICATIONS FOR MULTINATIONAL CORPORATIONS

INTRODUCTION

In late 1978, the Chinese government announced an open-door policy and began economic reforms aimed at moving the country from a centrally planned economy to a market economy. Under its centrally planned economy, industries "were owned and run by the state, and their growth was regulated by planning targets rather than by the profit-maximising decisions of independent entrepreneurs" (Putterman, 1992: 468). Thus, planning was the dominant control mechanism, with the market mechanism in a supplementary role. Industrial enterprises, including their policies and regulations of human resource (HR) practices, were under the control of relevant government department.

The past two decades of economic reforms have seen foreign multinational corporations (MNCs) expand their operations into China - many were attracted by the sheer size of its potential market. By the end of 1996, China had absorbed a total foreign direct investment (FDI) of U.S.\$171.8 billion with 281,298 projects (People's Daily, 19 December 1996), and ranked second to the United States as a global destination for FDI (Walker & Ridding, 1996). Of particular interest is the enthusiasm for establishing foreign invested enterprises (FIEs), including foreign joint ventures and wholly foreign-owned ventures (FIEs is commonly used as the umbrella term to describe FDI in China). Consequently, employment in FIEs has increased from 550,000 employees in 1986 to 8,820,000 in 1995 (China Labour Statistical Yearbook, 1995 & 1996).

FDI in China has tended to take the form of an international joint venture with a state-owned enterprise as the local partner (Child, 1993; Perkins, 1996), or as a fully owned subsidiary. To a certain extent, foreign ownership is instrumental in protecting FIEs from the various pressures of localisation (Lu & Bjorkman, 1997). However, many FIEs in China are either under-performing or failing, and management of people has been argued as a critical factor in determining success or failure in these enterprises (e.g., Baird, et al., 1990; Beamish, 1993; Fung, 1995; Schuler et al., 1991; Tsang, 1994). Chinese HR policies and practices are quite different from those used in developed and market-economy developing countries, and careful consideration of local idiosyncratic practices is required to operate successfully (Child, 1994; Ding, et al. 1997, Goodall & Warner, 1997; Paik, et al., 1996). "The legacy of management 'with Chinese characteristics' still weighs heavily on all firms operating in China" (Warner, 1996: 5). Knowledge of how employees have been managed in the past and since the commencement of reforms and what changes in the role of government with regard to regulations of HR practices may help MNCs to understand local managers' difficulty or inertia in accepting non-traditional or Western-style human resource management (HRM) practices.

Therefore, this paper has two intentions. First, it examines systematically the role played by the government in the two major HR practices, staffing and compensation, since the founding of the People's Republic of China (PRC) in 1949. It then discusses how the government has changed its traditional role in the two practices since the reforms. Second, the paper highlights the implications of such changes for MNCs that currently have subsidiaries in China or are planning to invest in China. The paper has four sections to serve these two purposes. The first section focuses on the dual role of the government and its subsequent relationship with industrial enterprises during Mao's regime, reflecting on the administrative, rather than economic, nature of such a relationship. The second section examines the transition of staffing practices from highly centralised labour allocation to 'two-way' selection in a newly emerged free labour market. The radical changes in the compensation system and practice is the focus of the third section, highlighting how centrally fixed wage scales have shifted to enterprise-determined pay packages. Finally, the implications of these changes for MNCs in China are discussed, including the issues of obtaining a skilled workforce, distribution of rewards and decision-making with regard to performance-related pay.

ADMINISTRATIVE RELATIONSHIP VERSUS ECONOMIC RELATIONSHIP

Before the reforms, China's economy seesawed between periods of centralisation and decentralisation (Ishihara, 1993; Lin et al., 1996; Naughton, 1996; Pegels, 1987; White, 1984). When the Communists took over in 1949, they moved to implement an economic planning system based on the Soviet model with centralised power, and a centralised management system was implemented during the period of first five-year plan (1953-57). However, decentralisation started in 1958 with the Great Leap Forward movement (1958-61), which gave local authorities permission to set production quotas and capital construction plans with little control from the central government. The failure of the Great Leap Forward and subsequent imbalances in the economy resulted in the restoration of centralisation again in 1962. With the economic recovery in 1964, managerial powers were shifted back to the local authorities. Throughout the Cultural Revolution (1966-76), decentralisation was "in vogue in a major way and conditions became semi-anarchic" (Pegels, 1987: 97). After ten years of chaos, the government headed by Hua Guofeng intended to restore the pre-Cultural Revolution system by re-centralising industrial administrative authority (Lee, 1987).

Successive waves of centralisation and decentralisation, however, did not signify that the state had disengaged itself from the organisation, or the ownership and control of enterprises. Instead, they represented shifts of power back and forth within the government structure from the central economic ministries to the local authorities, and at no time did such a swing overstep the boundary of administrative control (Ishihara, 1993; Jackson, 1992). Chinese economists have also observed that the government's readjustment of the economic system "was confined to the level of administrative decentralisation and re-centralisation, in other words, the re-delineation of the authority between the sectors and regions, and correspondingly, a cyclical increase or decrease in the number of administrative organisations" (Lin et al., 1996: 128). These changes, thus, "preserved intact the basic characteristic of Chinese enterprises: their integral incorporation in the government administrative system" (Riskin, 1987: 159). They also often caused many problems for enterprises. For example, many big enterprises which were administered directly by the central ministries were placed under local government control (at provincial or/and municipal level), but the supply of materials to these enterprises, their production, and the marketing of their products were still controlled by the central ministries. This decentralisation placed more constraints on enterprises, as they had to deal with more than one authority, such as the central ministry, the provincial or/and municipal government (Xue Muqiao, 1982:35).

Regardless of whether overall control rested with a central or a local bureau, "the same hierarchical logic of directive planning operated" and "the basic factor of administrative subordination" remained the same (White, 1984: 44). The relationship between enterprises and the government was mainly administrative rather than economic, because of the dual roles of the government under the central planned economy (Chen, D. 1995). The first was the role of the sole owner of state assets, which forced the government to be responsible for managing these assets. The second was the role of an administrator of a country, which enabled the government to be in charge of general administration, including regulating the economy and formulating economic policies. In this system, economic activities were highly centralised in the hands of government at different levels, and enterprises were treated, as a noted Chinese economist Ma Hong (1981, in White, 1984: 44) described, "like beads on an abacus pushed hither and thither by bureaucratic fingers". Since enterprises were stripped of their independence and assumed no responsibility for either profits or losses, they became simply appendages of various government agencies and generally under-performed (Dong, 1982).

To shift initiative and incentive from the state administration to enterprises became one of the critical issues for the reform process. This is why "the post-1978 reform in China had to be oriented toward neither centralisation nor decentralisation...but toward the expansion of enterprise authority" (Ishihara, 1993: 16). The dual role of the government and its overall relationship with enterprises was soon challenged during the post-Mao reforms. The renowned Chinese economist Dong Furen (1982) claims that the key change in the reforms needs to occur in the relationship between the state and enterprises, which should shift from being administrative to economic. He argues that the government should guide and co-ordinate enterprises through market and economic leverages, leaving enterprises truly responsible for their own production operations including supply, marketing, wages, prices and their own profits and losses (Dong, 1982: 130-4). Similarly, White (1984: 44) has pointed out that economic decentralisation should be implemented in basic-level production units rather than remain at different levels of government and that the decision-making power of enterprises should be further expanded and an

“economic” relationship should be established between the government and enterprises. In 1987, the Party congress officially called for the separation of government from enterprise functions to make them independent economic units and to “encourage enthusiasm and initiative in enterprises, inspire healthy competition, and establish a dynamic socialist economic structure” (Dye, 1990: 223).

The criterion for such a separation, as detailed by the Chinese economist Zhou Shulian (1997: 30), was based on whether enterprises were entitled to “four responsibilities”: the responsibility for their own business and operations; profits and losses; business development and expansion; and legal compliance. With the development of reforms at micro- and macro-levels, the government has gradually changed over from administrative control through planning at central and local government levels to control through economic means, such as allowing freedom of price setting and implementation of the Taxation Law (Ishihara, 1993; Lin et al., 1996). In 1997, ten years after the release of the policy of separation, most enterprises were granted production and management autonomy to run their own businesses. However, many enterprises with poor performance still had to rely on state subsidies, and some enterprises had to wait for government loans for business expansion (Zhou, 1997). These phenomena indicate that the separation between the government and enterprise functions is only partial, and there is a long way to go to set up a real economic relationship between the government and enterprises in place of the administrative relationship. Nevertheless, the changed relationship has already had profound implications for enterprise management, especially in human resource practices. The following two sections look at these implications in an examination of the government’s roles in employment and compensation practices both before and during the reforms.

FROM LABOUR ALLOCATION TO ‘TWO-WAY’ SELECTION

Under the planned economy, enterprises were run solely by administrative means such as mandatory planning while market forces were totally ignored in the allocation and acquisition of raw materials and the distribution of output. While such planned allocation of material and financial resources has become the target for reforms because of their incompatibility with economic development, planned allocation of labour resources received even more criticism. Many researchers have argued that, of all aspects of allocation under the command economy – human, material and financial, “the allocation of labour resources is by far the furthest from the market mechanism” (Liu & Zhao, 1979, in White, 1993: 269). Centralised administrative labour allocation, based on the ideology of full employment, was a distinct feature of employment practices in China. This section looks at how people were allocated to their job positions before the reform, what issues and problems resulted from such an allocation system, and how centralised labour allocation has been gradually replaced by ‘two-way’ selection since 1979. From the examination of reforms in the allocation system, we can observe the change in the role of government with regard to employment practices.

The nationally unified labour allocation practice was started soon after the founding of the PRC. In 1951 the central government began to include employee numbers in its economic planning, and the State Council required a gradual implementation of a unified system of labour allocation instead of just offering employment services, such as introducing job seekers to enterprises (He & Shu, 1992). Beginning in the early 1960s, the government “exercised strict control over industrial labour, setting enterprise labour quotas and assigning workers to enterprises” (Shirk, 1993:31). The allocation system was very “authority-centred”, and its major features included the exercise of state authority and co-ordination through central planning (Lee, 1987: 33). As Maoists believed that labour was not a commodity but a national resource, it was neither the market nor the enterprise but the state, represented by different levels of bureaucratic administrative agents, that had monopoly control of urban jobs (Bian, 1994; Chan A., 1995; White, 1983a). For example, the local labour bureau usually controlled job assignments within an overall quota set by the Ministry of Labour (Byrd & Tidrick, 1987).

By the mid-1960s direct control over labour allocation between enterprises and geographical areas “had nullified the operation of a labour market” (Jackson, 1992: 143). University graduates, for example, were assigned jobs in a particular *danwei*¹ (i.e., a work unit such as an enterprise) under a unified plan drawn up

¹ The definition of *danwei* given by Lu and Perry (1997: 5-6) is “a work unit that exhibits the following attributes: personnel power; communal facilities; independent accounts and budgets; urban or nonagricultural purview; and public

by the State Planning Commission. The needs of the state were always given priority in assigning jobs, and the political ideology, vocational proficiency and health of graduates would be considered. Normally they would accept the state assignment despite a mismatch between job and skill or a conflict with personal preferences, because they had been imbued over the years "with the need to subordinate their private concerns to those of the state" (Tung, 1982: 15). Similarly, workers were assigned to *danweis* (usually enterprises) by local bureaux of labour and offered permanent jobs (Child, 1994; Nyaw, 1995; Warner, 1995; Zhao, 1994).

The allocation or appointment of cadres (referred to here as managers and other white-collar employees) was controlled by the Ministry of Personnel and its branch bureaux or departments at lower levels. This was demonstrated by the results of a large-scale survey conducted in 1985 in China (2447 respondents from 900 enterprises located in 18 cities were involved, see Yang et al., 1987: 74-85 for detail). Among the 1386 cadres surveyed, 60.1 percent were appointed by superior authorities, 30.7 percent were chosen by superior authorities from the candidates nominated by the workers' congresses, and only 4.4 percent were elected by employees as the result of reforms. In addition, the criterion for cadre appointment was often politically oriented with little emphasis on business or management skills (Lockett & Littler, 1983; Tisdell, 1993).

What issues and problems are associated with such an allocation system? White (1983b: 257) notes three major issues. First, the quantitative problem of providing enough jobs to keep pace with the expanding urban population, which was particularly important as China was pursuing a full employment policy. Second, the qualitative issue of ensuring that there was a fit between jobs and skills, that jobs were productive rather than just make-work, and that over-staffing problems could be avoided or reduced. Third, there was the political issue of satisfying job-seekers' needs to achieve political and social stability. Considering these three issues, the centrally planned allocation system appeared to be desirable only in the aspect of quantity by guaranteeing that every job seeker in urban areas belonged to a *danwei*. Consequently, a lifetime employment system was created by assigning people to jobs and forbidding job change, which in turn led to the emergence of "unitism"² (Shirk, 1993: 31).

Unitism and the lack of a labour market diluted labour incentives and reduced enterprise efficiency for a number of reasons. First, the allocation system deprived enterprises of their autonomy to select managers and employees and denied individuals the right to choose their employment. Concerns for job security forced employees to accept rigid job positions which might not match their skills (Henley & Nyaw, 1987; Jiang, 1994) and there was little chance for workers or managers to select different jobs where they could fully apply their talents and skills (Nelson & Reeder, 1985). Second, the system totally neglected changes in labour supply and demand, and urban residents were often allocated to enterprises regardless of demand (Shen, 1996). The high employment rate in urban areas was achieved through low salary levels, which resulted in poorly motivated employees, substantial overstaffing and long-term stagnation of labour productivity in the industrial sector (Jackson & Littler, 1991; Shi, 1995; Yabuki, 1995). These problems inevitably led to political and social instability in the long term.

In 1980, the policy of 'combining three employment channels' (or 'three-integration system') was introduced to replace the labour allocation system (Feng, 1996; Hannan 1995; Yue, 1985). The three channels referred to: 1) employment through government labour bureaux; 2) voluntarily organised employment by the formation of a collective enterprise; and 3) seeking job opportunities oneself (e.g., setting up one's own business). Whereas the first channel was still similar to the traditional allocation system, the last two channels indicated a radical change in the role of the labour bureau from administering and allocating employment to making recommendations and giving advice to urban job seekers and enterprises (Branine, 1997; Zhu & Campbell, 1996). The new policy also required the

sector". Shenkar and Von Glinow (1994: 13) have further explained that *danwei* is a "typical Chinese work unit.... Its employees depend on the unit for everything from social insurance and medical care to provision of ration cards for basic food staples and various 'industrial goods'."

² The allocation system supplied people jobs with lifetime employment in one work unit. "Unitism" thus means "a system in which work units became total communities with full responsibility for the housing, welfare, retirement, and schooling of employees and their families and complete control over their lives" (Walder, 1986; Henderson & Cohen, 1984; cited in Shirk, 1993: 31).

labour bureau to assist job seekers in organising collective enterprises or setting up their own businesses (Yue, 1985). The implementation of the policy has not only facilitated the development of industries with different types of ownership, especially collectively- and privately owned enterprises, but also enabled 'two-way selection' (i.e., free selection of occupation by individuals, and free selection of employees by enterprises) (Liang 1997; Warner 1995; Zhao S.M. 1995).

Two-way selection is now widely used by employers and employees, especially university graduates (Ma, 1997). Instead of being assigned by the state, graduates can market themselves to organisations by sending applications and attending interviews. Obviously this selection method will improve the quality of 'allocation' by achieving a better degree of 'fit' between jobs and applicants and offering more incentives to both applicants and organisations. However, Zhang (1996) has argued that two-way selection would shift greater power to the enterprises as there are so many retrenched employees in the labour market and it could also lead to short-term behaviour on the part of employees because of lack of job security and long-term commitment. Despite its shortcomings, the two-way selection method together with other industrial reforms has led to a more market-oriented approach to employment.

With economic power being decentralised from the state to enterprises, managers have gained control over what to produce, how to market their products, and personnel policies (Boisot & Child, 1996). They have had to gear up their production to meet market demand and be responsible for their own survival. In order to attract and retain competent and motivated employees to increase productivity, organisationally administered recruitment and selection has largely replaced centralised government assignment of employees. For example, the local labour market and advertising have become common labour sources for enterprises (Zhu & Dowling, 1998). Nonetheless, the central allocation system has not been totally replaced. Some employees are still assigned to enterprises, especially state enterprises, through labour bureau introduction or recommendation. Feng (1996) has pointed out that after 10 years of the three-integration system, 60.5 percent of people employed in 1990 were still allocated to state enterprises through such an introduction. The research results of Zhu and Dowling (1998) also indicate the continuing legacy of the traditional central allocation system.

FROM CENTRALLY-FIXED TO ENTERPRISE-DETERMINED WAGES

Like the labour allocation system, the wage system was strictly controlled by central planners at both micro and macro levels for over three decades. According to Li Weiyi (1991: 77), the former head of the Wage Bureau of the Ministry of Labour, the wage system at micro level included wage structures, scales, and administration; whereas at macro level it consisted of wage policies, regulations and planning. How did the government operate the monopoly of wage control at both micro and macro levels before the reform? Why did this centrally controlled wage system have to undergo reform? What changes have occurred in the role of government? What are the implications of these changes for enterprise management? All these questions are addressed briefly below.

After the founding of the PRC, the government wage policy was formulated based on the Soviet model, as with other aspects of the economic management system (Takahara, 1992). Soviet wage specialists were invited to China to conduct training courses for labour and personnel cadres in charge of wage policy formulation, implementation and administration. Meanwhile, the Ministry of Labour and the All China Federation of Trade Unions (ACFTU) promulgated a series of wage documents such as 'The Draft of Wage Regulations' and 'The Draft of Wage Scales for Industrial Staff and Workers', and jointly convened the first National Wage Reform Preparatory Conference in August 1950, which was also attended by Soviet wage experts (Li W.Y., 1991). Whilst the soviet-style wage grade system was experimented with in enterprises in the early 1950s, the 'supply system' (*gongji zhi*) was still used for those cadres who had joined the Party or the revolutionary army before 1 October 1949 (Li 1991: 25). The supply system was based on the Party's own experience before 1949 and was an egalitarian reward system. Under this system, cadres were supplied with their living necessities according to their needs.

With the recovery of the national economy, the government started its first nation-wide wage reform in 1952. Four major results were achieved from this reform (Zhao S.M., 1995: 173). First, the wage point system (*gongzi*

*feng*³ was used as a national standard measurement for wage scales. Second, the majority of industries adopted the eight-grade wage system for enterprise workers, while a few implemented the seven- or six-grade system. Most industries also established or revised their technical grade standards for workers to determine wage grade or grade promotion. Third, the position wage system was applied to enterprise staff. Under this system, "wage standards for various posts were stipulated according to their importance, responsibility and technical complexity, and the current wage levels" (Takahara, 1992: 31). Finally, piece-rate and bonus systems were established to offer more incentives to workers. These systems became widespread under the one-man management system in the early 1950s (Jackson, 1992).

In July 1955, the Ministry of Labour was designated by the then Premier Zhou Enlai to be in charge of national wage reform. At the same time, the supply system for cadres was replaced by a monetary wage system. In 1956 the state issued the 'Decision on Wage Reform' and the second nation-wide wage reform was formally launched (Li, 1991). According to Takahara (1992), the driving forces for the reform included factors such as the influence of Soviet experts and models and the socialist transformation completed in China. For example, some policy-makers believed that the establishment of a Soviet-style wage grade system could better implement the socialist distribution principle of 'to each according to one's work' and thus to increase productivity. Furthermore, the completion of socialist transformation laid down the administrative basis for a centrally planned economic system and a nationally standardised wage system. Apart from these, the need to unify wage standards to avoid unequal pay for equal work and employees' complaints about stagnant wages since the early 1950s also became part of the reasons for reform (see Takahara, 1992: 25-7).

The second wage reform replaced the 'wage point' system and various types of subsidiaries with a unified monetary wage system. Wage scales were formally divided for workers and cadres. The wages for most workers were still governed by the eight-grade system scaled according to variations in skills, from unskilled (grade 1) to highly skilled (grade 8), though a seven-grade system applied to construction workers, and the position wage system was introduced for textile workers. Wage differentials were also set among different geographical districts (e.g. inland or coast), industries (heavy or light), and enterprises (large or small). Wage differences between each grade were enlarged to avoid egalitarianism. In general, heavy-industrial enterprises had higher wage scales for each grade than those in light industries did. The difference between grades 1 and 8 for workers was 2.8-3.2 times, with an average of 3-time increase (Tung, 1982: 140). As for enterprise cadres (i.e. technical and managerial staff), a revised position wage system was applied with more categories and grades according to different districts, industries, enterprises, and types of work. For example, wage scales at the China First Automobile Manufacturing Factory were increased from 48 to 126 in 1956 (Li, 1991: 98). This wage reform also encouraged wider adoption of piece-rate wages and emphasised the use of a bonus system to reward innovation, improved productivity and exceeding of targets (see Li, 1991; Takahara, 1992; Tung 1982). As a result of this reform, a nationally unified wage system was established, which placed emphasis on material incentives and economic evaluation factors such as technical skills rather than political correctness, and aimed to enhance productivity and technological development (Takahara, 1992).

Some practices adopted by the 1956 wage reform such as piece-rate wages and bonuses were attacked and abolished during periods of political extremism and low industrial growth including the Great Leap Forward and the Cultural Revolution (Henley & Nyaw, 1987). From 1957 to 1977, four national wage readjustments were conducted for enterprise workers and cadres (Li, 1991; Shi & Wu, 1993). These readjustments were centrally planned with strict quotas and detailed requirements, and they were not related to individual or enterprise performance. For example, the national wage rise in 1959 was applied to only 30 percent of workers and 10 percent of cadres (Li, 1991: 52). The wage increase in 1963 was limited to 40 percent of workers and less than 40 percent of cadres had wage increase, with lower-ranking cadres being favoured (i.e. the lower the grade, the higher the percentage receiving an increase) (Shi & Wu, 1993: 212). Apart from these partial wage readjustments, the government made other modifications such as simplifying wage scales and reducing the differentials between wage grades.

However, wages failed to play a role in work effort control within enterprises and there was no serious attempt to reform the wage system before 1978 (Jackson, 1992). The major reasons for the wage system remaining intact

³ Each wage point included a certain amount of money which could purchase 0.2kg of grain, 13cm of cloth, 25g of cooking oil, 10g of salt, and 1kg of coal (Li W.Y., 1991: 22).

were the impact of Mao's ideology and the strategy adopted by the government. In 1958 Mao advocated the restoration of the supply system and gradual abolition of the wage system (Li, 1991). Similarly, Bettelheim (1974, in Jackson, 1992: 142) explained that, as the Maoists' goal was the attainment of a communist society where people could be supplied according to their needs, wages would become irrelevant eventually and thus the restructuring of the wage system was not necessary. A low wage system also suppressed the labour cost associated with pursuing the heavy-industry development strategy (Lin et al., 1996).

The over-centralised wage system inevitably led to two practices that were detrimental to economic development. One was called "enterprises eating from the big rice pot of the state" (*qiye chi guojia de daguofan*) and the other was called "employees eating from the big rice pot of an enterprise" (*zhigong chi qiye de daguofan*) (Shi & Wu, 1993: 93). The first practice meant that regardless of their performance, enterprises had the same wage increases during national wage adjustments. Loss-making enterprises could even receive financial assistance from the state to enable them to fund pay increases. This unified and guaranteed pay increase led to egalitarianism among enterprises and encouraged enterprises to rely on the state. The second practice referred to wage increases that were not related to individual performance. As the quotas, standards, criteria and time for wage rise were regulated and unified throughout the country, local governments and individual enterprises had no say in such adjustments (Lin et al., 1996). As a result, seniority or the year of starting work was often used as the major criterion in wage increases irrespective of individual performance. This practice resulted in egalitarianism among employees and dampened individual initiative to perform well.

In 1982 the wage system became one the three major targets for reform (the other two were the labour and personnel system and the social security system) mainly because of its four problems (Li, 1991). These problems were abbreviated to "*di, ping, luan, si*" in Chinese, which referred to low wage levels (*di*); absolute egalitarianism (*ping*); highly complicated wage grades and scales (*luan*); and over-centralised wage fixing (*si*) (Li, 1991: 68-70; Jackson, 1992: 134-9; Shi & Wu, 1993: 93). To address these problems, the piece-rate and bonus systems were restored soon after the commencement of economic reforms. Then different types of profit retention, profit contracting and profit-for-tax systems were experimented with and different wage packages were introduced as well (Zhu, 1999; Zhu, et al., 1998). All these methods aimed to increase wage levels and to offer incentives. However, they all possessed the major weakness that only employee bonuses rather than total wages were linked to enterprise performance. This meant whether enterprises made profits or losses, employee wages would not be affected.

The reform of enterprise wages did not really start until 1985 when the State Council issued official guidelines and announced that the total payroll of enterprises should be linked to their efficiency (Li, 1991; Zhao, 1995). Under this efficiency-linked wage system, the government would only control the total amount of an enterprise's payroll, leaving the distribution for the enterprise to determine. This meant the total payroll would not change regardless of the number of employees. It would only be augmented in proportion to the increase in enterprise productivity and profitability. By linking the rate of wage increase to productivity rises, the government tried to offer enterprises incentives and control labour costs as well. It was the first time that enterprises had the autonomy to determine the amount they could have for their payroll based on efficiency and the way they could distribute among their employees. This decentralisation of government control over wages at micro level enabled managers to use wages as an incentive tool to reward high performers. However, Wong et al. (1995: 11) have observed that "wage changes are asymmetrical, rising when efficiency rises but seldom falling when efficiency declines", or, as Zhao (S.M., 1995: 177) observed, "the linkage was only made to profits rather than losses (*guaying bu guakui*)".

Despite its flaws, the performance-linked wage system is still used in enterprises. Since the promulgation of the Labour Law in 1994, enterprises have had more decision-making power in their wage distribution as long as they meet minimal wage requirements. The latest aims of the government for further wage reform in the ninth five-year plan (1995-2000) are that "the market determines wage scales, enterprises control wage distribution, government monitors and makes adjustment" (Xiong, 1998: 61). In 1997, the Ministry of Labour issued wage policies that stipulate three major roles to be played by the government in wage monitoring and adjustment. The three roles are: to set limits on the ceiling of wages to avoid extreme polarisation; to guarantee the minimum wage as the bottom line of pay; and to monitor the increase of average wage income (Liu, 1997).

To fulfil these roles, the Ministry of Labour has detailed its plan of action rather than just being a watchdog. The plan includes six actions (Wang, 1997: 76; Liu, 1997: 10). The first is to experiment with wage guidelines (*gongzi zhidaoxian*), which indicates average wage levels and rates of pay increases in different industries, sectors and areas. The second is to monitor the implementation of flexible wage packages in some enterprises based on the wage guidelines. The third is to improve efficiency-linked pay by linking wages to both profits and losses, in which collectively negotiated efficiency-linked pay systems will be recommended and tried firstly in foreign invested enterprises. The fourth is to adjust the wage ceiling in some industries that have monopoly control of the market (e.g., energy and communications). The fifth is to recommend an annual salary rather than monthly wages for senior managers. The final action is to control salary levels within the limits set by the state. The plan indicates that while enterprises have autonomy to determine wage scales and distribution, they must work within the limits set by the government. Even though the government's role in wage control has remained mainly at the macro level, it has not given up all its influence at the micro level.

The implications of this decentralisation of decision-making authority to enterprises with regard to wage distribution are profound. First, managers especially those working in human resource department rather than the Ministry of Labour have to handle wage management. Second, the design of wage packages and their effective implementation in which incentives are tied to desired behaviours are challenging issues for managers to deal with. Last but not least, managers have to use wages as an effective tool to help attract, retain and motivate employees now that enterprises are in a more market-oriented economy. The emergence of a free labour market and increasing competition among enterprises with different forms of ownership have made the resolution of these issues increasingly complex.

IMPLICATIONS FOR MULTINATIONAL CORPORATIONS (MNCs)

By way of conclusion, and to assist in understanding the impact of the changes in the role of government with regard to HR practices, we pose and answer three questions in relation to managing Chinese employees in FIEs:

1. *How can foreign firms develop effective HRM strategies to improve the productivity of their workforce in China?* MNCs need to know the current HRM practices in China. Many practices commonly used in the West are now employed in China. However, foreign firms need to be aware that in China, "the shift from the older practices has only been partial, especially in larger enterprises, whether state-owned enterprises or even Sino-foreign joint ventures" (Warner, 1997: 40). This is mainly because MNCs have a stronger association with government partners in China than in other developing countries, and thus tend to be somewhat locked into maintaining management practices that are a legacy of pre-reform days (Beamish, 1993). Researchers have noted that in some FIEs, the egalitarian pay system is still in practice even though the eight-grade wage structure has been abandoned (Goodall & Warner, 1997).
2. *To what extent can foreign MNCs transfer their home-country's HRM practices to their subsidiaries in China?* MNCs managers should not assume that identical HR practices could be applied to their Chinese enterprises. Some researchers claim that Western-style HRM practices should be introduced only when a Chinese perspective, and Chinese values and methods, have been incorporated (Child, 1993; Fung, 1995). Take selection methods as an example. While a personal interview is considered as an important selection method by many Western and market-economic countries (Huo et al., 1999), it has received a low priority in China (Huo et al., 1999; Zhu & Dowling, 1998). This could be attributed to the lack of other compatible hiring practices such as job analysis and training of interviewers, and concern about the objectivity of personal interviews when personal relations (*guanxi*) play such an important role in Chinese society (Child, 1994; Luo, 1997; Xin & Pearce, 1996).
3. *What are the future HRM issues for China due to its ongoing economic reforms?* Three major issues are identified and discussed separately as below.

Developing and retaining quality staff. Chan has noted that "both Western and Chinese management find HRM appropriate as a non-adversarial and consensual management style that succeeds in co-opting the workforce" (1995: 48). However, a particular term may have a different connotation or orientation. For

example, while the training and development function does exist in China, it is still passive and narrowly defined "in contrast to the Western HRM notion of planning for long-term staff development" (Warner, 1993: 46). Training is more focused on improving current performance deficiencies. There is a lack of career development, particularly as employees tend to change jobs frequently in pursuit of higher wages rather than skills development (Zhu, 1997). The absence of career development plus a high emphasis on material incentives have partly contributed to the problems of high turnover and "disloyalty" observed in many enterprises, including FIEs (Tomlinson, 1997).

Compensation. The change in employees' attitudes toward the distribution of bonuses is another identified trend. Traditionally, China has been a collective-oriented society (Hofstede, 1993), and its old compensation system was characterised by collectivism and egalitarianism as discussed before. However, Chinese employees now prefer reward differentials "determined primarily according to individual contributions" (Zhao, Y. W. 1995: 127) and there is greater acceptance of wider reward disparities based on individual performance (Aiello, 1991; Ding, et al., 1997; Walder, 1991; Wang & Mobley, 1999). With further reforms inevitable in China, a compensation system based on individual performance will become more common and more entrenched (Zhu, et al., 1998).

Localising staffing. As more foreign MNCs expand their businesses into China, they have sought local management for their operations in order to develop a large corporate presence in China (China Business Review, July-August 1996: 46; Melvin & Sylvester, 1997). When hiring Chinese nationals for executive jobs (because of their communication skills, local contacts, and understanding of the domestic market), many MNCs have found that Chinese managers lack decision-making skills and are wary of taking personal initiatives (Kamis, 1996). Along with job-related skills, corporate management training programs are required that provide HRM skills appropriate to the Chinese context and skills for problem-solving in high-pressure situations (Melvin, 1996).

To conclude, it is necessary to remember that China is still undergoing a transition stage, and will continue its economic restructuring and reforms to the next century. The government expects enterprises to "become corporate entities and competitors adaptable to the market" (Documents, 1997: 20), so effective HRM practices are needed to develop a competitive workforce.

REFERENCES

- Aiello, P. 1991. Building a joint venture in China: the case of Chrysler and the Beijing Jeep Corporation. *Journal of General Management*, 17 (2): 47-64.
- Baird, I.S., Lyles, M.A. & Wharton, R. 1990. Attitudinal differences between American and Chinese managers regarding joint venture management. *Management International Review*, 30 (Special issue): 53-68.
- Beamish, P.W. 1993. The characteristics of joint ventures in the People's Republic of China. *Journal of International Marketing*, 1 (2): 29-48.
- Bian, Y. J. 1994. Guanxi and the allocation of urban jobs in China. *The China Quarterly*: 971-999.
- Boisot, M. & Child, J. 1996. The institutional nature of China's emerging economic order. In D. H. Brown & R. Porter (Eds.), *Management issued in China: Domestic enterprises*: 35-60. London: Routledge.
- Branine, M. 1997. Change and continuity in Chinese employment relationships. *New Zealand Journal of Industrial Relations*, 22 (1): 77-94.
- Byrd, W. & Tidrick, G. 1987. "Factor allocation and enterprise incentives". In G. Tidrick and J. Y. Chen (Eds.), *China's Industrial Reform*, pp. 60-102. Oxford: Oxford University Press.
- Chan, A. 1995. The emerging patterns of industrial relations in China and the rise of two new labor movements. *China Information*, IX (4): 36-59.
- Chen, D. R. 1995. *Chinese Firms between Hierarchy and Market*. New York: St. Martin's Press.
- Child, J. 1993. A Foreign perspective on the management of people in China. In P. Blunt & D. Richards (Eds.), *Readings in management, organisation and culture in East and Southeast Asia*: 213-225. Darwin: Northern Territory University Press.
- Child, J. 1994. *Management in China during the age of reform*. UK: Cambridge University Press.
- China Business Review*, references in text.
- China Labor Statistical Year Book*. 1995 & 1996. Beijing: China Statistical Publishing House.
- Ding, D. Fields, D. & Akhtar, S. 1997. An empirical study of human resource management policies and practices in foreign-invested enterprises in China: the case of Shenzhen Special Economic Zone. *The International Journal of Human Resource Management*, 8 (5): 595-613.
- Documents* 1997. Jiang Zemin's report - Hold high the great banner of Deng Xiaoping theory for an all-round advancement of the cause of building socialism with Chinese characteristics into the 21st century. *Beijing Review*, October 6-12.
- Dong, F. R. 1982. The Chinese economy in the process of great transformation. In G. C. Wang (Ed. and translated) *Economic Reform in the PRC: in Which China's Economists Make Known What Went Wrong, Why, and What Should Be Done about It*, pp.125-138. Boulder, Colorado: Westview Press.
- Dye, T. R. 1990. "Economic growth and reform in China's provinces, municipalities, and regions". In J. A. Dorn & X. Wang (Eds.), *Economic Reform in China: Problems and Prospects*. Chicago and London: The University of Chicago Press.
- Feng, L.R. 1996. The situation and strategy of China's the third tide of unemployment. *Laodong Jingji yu Renli Ziyuan Guanli (Labour Economy and Human Resource Management)*, 11: 51-61. Beijing: The People's University of China (in Chinese).
- Fung, R.J. 1995. *Organizational strategies for cross-cultural cooperation: management of personnel in international joint ventures in Hong Kong and China*. The Netherlands: Eburon Publishers.
- Goodall, K. & Warner, M. 1997. Human resources in Sino-foreign joint ventures: selected case studies in Shanghai, compared with Beijing. *The International Journal of Human Resource Management*, 8 (5): 567-594.
- Hannan, K. (Ed.) 1995. *China, Modernisation and The Goal of Prosperity: Government Administration and Economic Policy in the Late 1980s*. Cambridge: Cambridge University Press.
- He, G. Q. & Shu, R. H. (Eds.) 1992. *Laodonli Tiaojie Lun (On Labour Force Deployment)*. Nanjing, China: Southeast University Press.

- Henley, J. S. & Nyaw, M. K. 1987. The development of work incentives in Chinese industrial enterprises - material versus non-material incentives. In Warner, M. (Ed) *Management reform in China*: 127-148. London: Frances Pinter.
- Hofstede, G. 1993. Cultural constraints in management theories. *Academy of Management Executive*, 7(1): 81-94.
- Huo, Y.P.; Huang, J.H. & Napier, N.K. 1999. Divergence or convergence: A cross-national comparison of personnel selection practices. Paper presented at 1999 Annual Meeting of Academy of Management, Chicago, August 6-11.
- Ishihara, K. 1993. *China's Conversion to a Market Economy*. Tokyo: Institute of Developing Economies.
- Jackson, S. 1992. *Chinese enterprise management: reforms in economic perspective*. Berlin, New York: Walter de Gruyter.
- Jackson, S. & Littler, C.R. 1991. "Wage trends and policies in China: dynamics and contradictions". *Industrial Relations Journal*, 21: 5-19.
- Jiang, M. 1994. Allocation of labour force under socialist system. *Shandong Daxue Xuebao (Shandong University Journal)*, 4: 86-90.
- Kamis, T.L. 1996. Education for the PRC executive. *The China Business Review*, July-August: 36-39.
- Lee, P. N. 1987. *Industrial management and economic reform in China, 1949-1984*. New York: Oxford University Press.
- Li, W.Y. 1991. *Zhongguo gongzi zhidu (China's wage system)*. Beijing: China Labor Press.
- Liang, J. P. 1997. *Renli Ziyuan Guanli (Human Resource Management)*. Beijing: Jingji Ribao (Economic Daily) Publishing House (in Chinese).
- Lin, J.Y., Cai, F & Li, Z. 1996. *The China Miracle: development strategy and economic reform*. Hong Kong: The Chinese University Press.
- Liu Y.F. 1997. "Enterprise wage policies and measures regulated by the Ministry of Labor". *Laodong Jingji yu Renli Ziyuan Guanli (Labour Economy and Human Resource Management)*, Vol. 6:10, Beijing: The People's University of China (in Chinese).
- Lockett, M. & Littler, C.R. 1983. "Trends in Chinese Enterprise Management 1978-1982." *World Development* 11 (8).
- Lu, X. B. & Perry, E. J. 1997. *Danwei: The Changing Chinese Workplace in Historical and Comparative Perspective*. New York: M. E. Sharpe.
- Lu, Y. & Bjorkman, I. 1997. MNC standardization versus localization: HRM practices in China-Western joint ventures. *The International Journal of Human Resource Management*, 8 (5): 614-628.
- Luo, Y.D. 1997. Guanxi and performance of foreign-invested enterprises in China: an empirical inquiry. *Management International Review*, 37 (1): 51-70.
- Ma, W. 1997. "On the role of 'two-way selection' in the employment of university graduates". *Laodong Jingji yu Renli Ziyuan Guanli (Labour Economy and Human Resource Management)*, Vol. 7:48-51, Beijing: The People's University of China (in Chinese).
- Melvin, S. 1996. Training the troops. *The China Business Review*, March-April: 22-28.
- Melvin, S. & Sylvester, K. 1997. Shipping out. *The China Business Review*, May-June: 30-34.
- Naughton, B. 1996. *Growing out of the plan: Chinese economic reform, 1978-1993*. Cambridge: Cambridge University Press.
- Nelson, J. & Reeder, J. 1985. Labour relations in China. *California Management Review*, 27 (4): 13-32.
- Nyaw, M.K. 1995. Human resource management in the People's Republic of China. In L.F. Moore & P.D. Jennings (Eds.), *Human resource management on the Pacific Rim*: 185-216. Berlin: Walter de Gruyter.
- Paik, Y., Vance, C.M. & Stage, H.D. 1996. The extent of divergence in human resource practice across three Chinese national cultures: Hong Kong, Taiwan and Singapore. *Human Resource Management Journal*, 6 (2): 20-31.
- Pegels, C. C. 1987. *Management and Industry in China*. New York: Praeger Publishers.
- People's Daily (Renming Ribao)*, references in text.

- Perkins, D. H. 1996. China's future: Economic and social development scenarios for the twenty-first century. In *OECD 1996: China in the 21st century*, pp 21-35. Paris: Head of Publication Service, OECD.
- Putterman, L. 1992. Dualism and reform in China. *Economic Development and Cultural Change*, April, 40 (3): 467-494.
- Riskin, C. 1987. *China's Political Economy: The Quest for Development since 1949*. Oxford: Oxford University Press.
- Schuler, R.S., Jackson, S.E., Dowling, P.J. & Welch, D.E. 1991. The formation of an international joint venture: Davidson Instrument Panel. *Human Resource Planning*, 15 (1): 51-60.
- Shen, Q.S. 1996. A comparative study of the Chinese and the Swedish principles of employment systems. *Economics of Planning*, 29: 75-102.
- Shenkar, O. & Von Glinow, M.A. 1994. Paradoxes of organisational theory and research: Using the case of China to illustrate national contingency. *Management Science*, 40 (1): 56-71.
- Shi, S. 1995. A new system for utilising human resources. *Laodong Jingji yu Renli Ziyuan Guanli (Labour Economy and Human Resource Management)*, Vol. 9: 8-10, Beijing: The People's University of China (in Chinese).
- Shi, J. & Wu, Z. 1993. *Zhongguo Guanyuan de Gongzi (Chinese Officials' Salaries)*. Beijing: Gaige (Reform) Publishing House (in Chinese).
- Shirk, S. 1993. *The political Logic of Economic Reform in China*. Berkeley: University of California Press.
- Takahara, A. 1992. *The politics of wage policy in post-revolutionary China*. London: The Macmillan Press Ltd.
- Tisdell, C. 1993. *Economic Development in the Context of China*. New York: St. Martin's Press.
- Tomlinson, R. 1997. You get what you pay for, corporate recruiters in China find. *Fortune*, April 28: 218-219.
- Tsang, E.W.K. 1994. Human resource management problems in Sino-foreign joint ventures. *International Journal of Manpower*, 15 (9): 4-21.
- Tung, R. L. 1982. *Chinese Industrial Society after Mao*. Massachusetts, Toronto: LexingtonBooks, D. C. Heath and Company.
- Walder, A.G. 1991. Workers, managers and the state: the reform era and the political crisis of 1989. *China Quarterly*, 127: 247-492.
- Walker, T. & Ridding, J. 1996. Far less of an easy ride. *Financial Times*, 10 May: 21.
- Warner, M. 1993. Human resource management 'with Chinese characteristics'. *International Journal of Human Resource Management*, 4 (1): 45-65.
- Warner, M. 1995. *The management of human resources in Chinese industry*. London: St. Martin's Press.
- Warner, M. 1996. Management of joint ventures in China. Paper presented at the conference on Cross-cultural Management in China, Baptist University, Hong Kong, August 26-28, 1996.
- Warner, M. 1997. Management-labour relations in the new Chinese economy. *Human Resource Management Journal*, 7 (4):30-43.
- Wang, X. 1997. "Wage guidelines: practice and problems". *Laodong Jingji yu Renli Ziyuan Guanli (labor Economy and Human Resource Management)*, Vol. 2:76, Beijing: Beijing: The People's University of China (in Chinese).
- Wang, Z.M. & Mobley, W.H. 1999. Strategic human resource management for twenty-first-century China. In Ferris (Ed.) *Research in Personnel and Human Resources Management: Strategic Human Resource Management in the Twenty-First Century*: 353-366. London: JAI Press Inc.
- White, G. 1983a. "Socialist Planning and Industrial Management: Chinese Economic Reforms in the Post-Mao Era." *Development and Change* 14.
- White, G. 1983b. "Urban employment and labour allocation policies". In S. Feuchtwang & A. Hussain (Eds.), *The Chinese Economic Reforms*, pp. 257-287. New York: St. Martin's Press.
- White, G. 1984. "Changing relations between state and enterprise in contemporary China: expanding enterprise autonomy". In N. Maxwell & B. McFarlane (Eds.) *China's Changed Road to Development*, pp. 43-60. Oxford: Pergamon Press.

- White, G. D. 1993. *Riding the Tiger: The Politics of Economic Reform in Post-Mao China*. London: Macmillan.
- Wong, C. P. W.; Heady, C. & Woo, W. T. 1995. *Fiscal Management and Economic Reform in the People's Republic of China*. Oxford: Oxford University Press.
- Xiong, L. L. 1998. "On the wage system reform in the state-owned enterprises". *Laodong Jingji yu Renli Ziyuan Guanli (Labor Economy and Human Resource Management)*, Vol. 1:61-3, Beijing: The People's University of China (in Chinese).
- Xue, M.Q. 1982. *China's socialist economy*. Beijing: Foreign Language Press.
- Yabuki, S. 1995. *China's new political economy: the giant awakes*, trans. S.M. Harner. Oxford: Westview Press.
- Yang, G. S.; Lin, B.; Wang, H. S. & Wu, Q. H. 1987. "Enterprise cadres and reform". In B. Reynolds (Ed.), *Reform In China: Challenges and Choices*, pp. 74-85. New York: M. E. Sharpe, Inc.
- Yue, G.Z. 1985. Employment, wages and social security in China. *International Labour Review*, 124 (4): 411-422.
- Zhang, L. 1996. "Life-time employment and two-way selection". *Laodong Jingji yu Renli Ziyuan Guanli (Labour Economy and Human Resource Management)*, Vol. 8:37-40, Beijing: The People's University of China (in Chinese).
- Zhao, S. M. 1994 Human resource management in China. *Asia Pacific Journal of Human Resources*, 32 (2), Winter: 3-12.
- Zhao, S. M. 1995. *Zhongguo qiye renli ziyuan guanli (Human resource management in China's enterprises)*, Nanjing, China: Nanjing University Press.
- Zhao, Y.W. 1995. 'Chinese' motivation theory and application in China: an overview. In H.S.R. Kao, D. Sinha & S.H Ng (Eds.), *Effective organisations and social values*: 117-131. New Delhi/Thousand Oaks/London: Sage.
- Zhou, S.L. 1997 "Separation of the government and enterprises: a tough issue for the reform of state-owned enterprises". *Gongye Qiye Guanli (Industrial Enterprise Management)*, 3: 30-32. Beijing: The People's University of China (in Chinese).
- Zhu, C.J. 1997. Human resource development in China during the transition to a new economic system. *Asia Pacific Journal of Human Resources*, 35(3): 19-44.
- Zhu, C.J. 1999. Enterprise management in China's transitional economies. In R. Edwards & C. Nyland (Eds.) *Proceedings of the 1999 Annual Conference of Academy of International Business, Southeast Asia Region*, Volume 1: 486-498.
- Zhu, C.J., De Cieri, H. & Dowling, P.J. 1998. The reform of employee compensation in China's industrial enterprises. Paper submitted to the Sixth Conference on International Human Resource Management, Paderborn, Germany, June 22-25, 1998.
- Zhu, C.J. & Dowling, P.J. 1998. Employment systems and practices in China's industrial sector during and after Mao's regime. Paper presented at 1998 Annual Meeting of Academy of Management, San Diego, California, August 9-12.
- Zhu, Y. & Campbell, I. 1996. *Economic reform and the challenge of transforming labour regulation in China*. *Labour and Industry*, 7 (1): 29-50.

DEPARTMENT OF MANAGEMENT

2000 WORKING PAPER SERIES

- 1/00 Amy Wong. "The Role of Relationship Strength in the Formation of the Customer-Contact Employee Relationship" (January, pp.26).
- 2/00 Paul Kalfadellis & Loong Wong "Labour of Burden: An Analysis of Occupational Change – The Domestic Worker (January, pp. 9).
- 3/00 Marjorie Jerrard "Organisation of the Roman Clothing and Textile Industry: Skill, Occupation, and the Gender-segmented Workforce" (January, pp. 11).
- 4/00 Marjorie Jerrard "Formation to Arbitration" – The Early Years of the Queensland Branch of the Australasian Meat Industry Employees' Union 1889-1918" (January, pp. 14).
- 5/00 Jacintha Tan & Damian Morgan "Quality in Australian Tourism Education: Educator and Professional Views" (January, pp. 15).
- 6/00 Betty Weiler & Sam H Ham "Training Ecotour Guides in Developing Countries: Lessons Learned from Panama's First Guides Course" (January, pp. 9).
- 7/00 Rosemary Black, Sam Ham & Betty Weiler "Ecotour Guide Training in Less Developed Countries: Some Research Directions for the 21st Century" (January, pp. 12).
- 8/00 Jacintha Tan & Damian Morgan "Tourism Education: Views from Educator and the Tourism Industry" (January, pp.8).
- 9/00 Warwick Frost "Ecotourism and Rainforests" (February, pp.13).
- 10/00 Glenice J. Wood & Margaret Lindorff "Sex Differences in Managers' Explanations for Career Progress: A Test of Social Role Theory" (February, pp.15).
- 11/00 Yi-Ting Yu & Alison Dean "Including Emotions in Customer Satisfaction Measurement: a new Perspective on Loyalty" (March, pp.11).
- 12/00 Dianne Waddell & David Mallen "The Future for Quality Managers" (March, pp.13).
- 13/00 Di Waddell & Deb Stewart "Training and Management Development of Quality Managers" (March, pp.12).
- 14/00 Geraldine Khachan & Cornelis Reiman "Australia's Relationship with the Middle East – A Trade Perspective" (March, pp.16).
- 15/00 Lim Hong Hai, Ali Haidar & Len Pullin "Managerial Values of Penang Island Municipal Council Officers: A Preliminary Report" (March, pp.11).
- 16/00 Alison M. Dean & Dr. Milé Terziovski "Quality Practices and Customer/Supplier Management in Australian Service Organisations: Untapped Potential" (March, pp.12).
- 17/00 Sarah Germaine Grant, Sonja Petrovic-Lazarevic & Mike Berrell "Significance of Recognition of Australian and Singaporean Cross-Cultural Differences in the Decision-Making Process" (April, 15.pp).
- 18/00 Michelle R. Greenwood "The Study of Business Ethics: A Case for Dr. Seuss" (April, 9.pp).
- 19/00 Bernadine Van Gramberg & Julian Teicher "Exploring Managerialism in Victorian Local Government" (April, pp.13).
- 20/00 Jan Schapper "Value Dissonance: A Case of the Psychodynamics of Organisational Identity" (April, pp.15).
- 21/00 Alison M. Dean "Issues Inherent in Measuring and Monitoring Quality in Contracted Services" (April, pp.16)
- 22/00 Damien Power & Amrik S. Sohal "An Empirical Study of Human Resource Management Strategies and Practices in Australian Just-in-Time Environments" (April, pp.11).
- 23/00 Amrik S. Sohal & Mile Terziovski "Continuous Improvement Process Teams (CIP Teams) and Corrective Action Teams (CATs) at Varian Australia" (April, pp. 8).
- 24/00 Damien Power & Amrik S. Sohal "Human Resource Management Strategies and Practices in Just-in-Time Environments: Australian Case Study Evidence" (April, pp. 23).
- 25/00 Cherrie Jihua Zhu & Peter J. Dowling "Changes in the Role of Government in Human Resource Practices in China: Implications for Multinational Corporations" (April, pp. 14).
- 26/00 Ruth Barton & Julian Teicher "A Labor Government's Different than the Current Government" Telstra, Neo-Liberalism and Industrial Relations" (April, pp.17).
- 27/00 Owen E Hughes "New Public Management: A Parliamentary Perspective" (April, pp. 13),