Transfer of HRM Practices from Parent to Host Multi-National Companies: Case Study Evidence from the Retail Sector in Malaysia.

A thesis submitted to the University of Manchester for the degree of Ph.D in the Faculty of Humanities

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Abstract

This thesis focuses on an examination of the organisational framework of Human Resource Management within the UK and Malaysia. There is a particular emphasis on how the parent and host company interact to shape the process and delivery of HRM policy development in order to meet the challenges of improving the working environment for staff.

There is an abundance of HRM literature on the subject of multinational companies within the Western context, but there is limited discourse on the transferral of HRM practices from a Western parent company to a developing country subsidiary, particularly in the retail sector. This study attempts to address the need for more research within this field through examining the HRM practices within the host subsidiary of a multinational retailer in the context of Malaysia.

A mixed method approach was adopted using a combination of questionnaires and semi-structured interviews to gather data for the study. An analysis using both qualitative and quantitative techniques was used to examine the data.

The findings of this study have supported earlier Western-based literature, which identifies the need for organisations to adapt their HRM practices to local cultures and customs in order to guarantee organisational success across geographical boundaries. Moreover, this study has identified a gap within such literature, which highlights the differences in more depth, specifically the differences of cultural perceptions at each level of occupational job role within the multinational company.
Declaration

I, Kate Elizabeth Rowlands, hereby declare that no portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

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Dedication

In memory of my dearly departed Dad, Robert Stuart Rayner, ‘who gave me the greatest gift anyone could give another person, he believed in me’.
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My appreciation and love to my husband Richard, whose friendship and support has kept the journey in perspective. Thank you for providing common sense throughout times of frustration.

To my little girls, Grace and Darcey, for being my incentive to succeed.
Chapter 1 Introduction

1.1 Background

The theory of Human Resource Management (HRM) has been debated for many years. However, in today’s global climate, where organisations are seeking new and innovative ways of expanding, what does the future hold for HRM and how will multinational organisations continue to develop this practice across their global sites? Recent developments within the HR field by notable champions such as Harzing (2011) have suggested that the future of international HRM practice lies within its ability to accept value adding contributions from host country companies through wider organisational objectives. Yet, Rowley et al. (2014) have highlighted that many host country central sites are uncertain as to the role that they have to play in contributing to HRM practice and policy, particularly when they have an abundance of senior management from the parent company demanding nothing more from their HRM function than the role that it has traditionally played. The question could, therefore, be asked, can host countries develop their own effective and strategic HRM practices locally?

This study aims to examine the critical issue of the extent to which the HRM function of the MNC in the host country is able to achieve the same strategic vision as the parent company in terms of transferring HR policy and practice. If the MNC based in the host country is not able to achieve such a vision, then what are the implications for both the host and parent companies? To focus the study and add depth, the host country that has been selected is Malaysia. In order to achieve a significant conclusion, this study will be structured into six chapters; the detailed outline will be described later in this chapter.

1.2 The historical background to Human Resource Management

The term Human Resource Management has acquired increased currency since the 1970s in Western countries (Blyton and Turnbull, 1992). As a result, there has been extended debate on what exactly HRM is and whether it is Personnel Management in a new tin. Indeed, a whole industry has developed around the term, which is led by the assumption that HRM can fix an organisation’s people problems. This has been challenged by authors such as Legge (1995), who have questioned the validity of such an approach to people management.
in organisations today. However, Townley (1994) considers that this form of people management has evolved through both societal change and the need for this development of people approach based on the dimensions of the organisation in modern-day Western society. Some of these changes were brought about through economic factors, such as the significant industrial restructuring of the 1980s alongside the demise of traditional manufacturing and trade union influence and collective bargaining. The recession of the early 1980s also marked a fundamental change in the structure of employment in Britain, thus igniting the need for a change in the methods used to manage people. These harder factors, accompanied by social shifts and the reduction in union power, encouraged employees to become more self-reliant and, according to Armstrong (2008), HRM practice reflects this whereby the employer has a relationship with the individual employee. It has also been argued (Kanungo et al., 1990) that the Western way of HRM works and adds value to the organisation, so it is therefore understandable that developing countries are attempting to emulate such works within their own organisations.

According to Blunt and Jones (1992), these emulations are usually fractional of ‘best practice’ of the methods used in Western society; however, the question is whether or not these practices can be replicated where society values and economic climate differ so greatly from their Western origins. It has also been argued (Warner, 2002) that the globalisation of management practices has greatly contributed to the convergence of the managerial mind set. Another question for the purpose of this study is how successfully these management practices converge and whether the diversity demonstrated in management practice can be maintained through ‘indigenous’ management. This will also test the validity of HRM practice in terms of whether it is a product of political, economic, social and cultural aspects, or whether it is a universal set of functions. Pugh and Hickson (1995) have argued that managerial elements are converging due to a need to pursue similar technological tools to gain efficiency in production and general operation. Lawler et al. (2003) found no significant difference between local organisations and multinational companies in terms of HRM practices. Based on recent studies (Horwitz et al., 2006), it can be argued that, due to this rapid convergence, MNCs need not change their HRM practices when operating in some developing countries. According to Mamman and Adeoye (2010),
'they can adopt an ethnocentric approach to their HRM policy and practices but is it that easy?' It is within the parameters of the current study to focus on these types of questions with reference to HRM in multinational companies.

1.3 The role of Human Resource Management in the Multinational Corporation

Human Resource Management (HRM) in today’s economic climate for the multinational corporation (MNC) is fraught with issues and disparity. Over recent years, there has been a dramatic growth in the number of organisations directly investing in locations overseas, particularly in East Asia (Cherry, 2011). This has been induced through the liberalisation of international trade and the emergence of economic regions such as the European Union, which have enabled direct investment overseas to both gain and maintain competitive advantage through its people that is the human asset (Myloni et al., 2004). The Human Resources and values associated with HRM facilitate the development of the organisational culture, while the people that operate within influence the overall culture (Wright et al., 2001). This has led to enormous implications for HRM in terms of how well the organisation manages its workforces in countries that have a bewildering variety of cultural, socio-economic and political differences. In addition to these complex issues, there is the task of placing an expatriate workforce in a country outside of their experience (Clark, Knowles, 2003).

The MNC can be described as a vehicle for transporting HRM policy and practice from the parent country across national boundaries (Brewster et al., 2011). However, the underlying issue here surrounds the limitations to this transferral process to Malaysia, or perhaps the expectation of the MNC to blindly attempt to function in its modus operandi (Ferner, 2000). With the standardisation of technological advancement across the industrialised sector, including production and process and the shortening of product lifecycles, MNCs are turning towards the HRM function to not only support and help, but to drive their strategic organisational competitive advantage. HRM is no longer viewed as a support function, but now is an integral part of the strategic vision for the MNC (Smale, 2007). The limitations to the MNC penetration are both diverse and complex in nature. The MNC must not only
respond to national demands by the host country, but also faces the challenge of maintaining a clear strategy simultaneously in both a local and global range. There are multiple constraints here, notably the resistance from the host country in terms of the concern for having their national economy overrun by global organisations, and the control which the MNC seeks to maintain through enforcing decision making, which is made at a global level without consideration for the national scope (Hirst, Thompson, 1999). There is also a view that the MNC arrives with the objective of continuing with the strategy of one approach that is a ‘best fit model’ of HRM practice for their organisation as a whole, and tends not to develop a local level driven goal, which may be courteous in its approach to the host country. In terms of fighting such a powerful MNC, host countries appear to be restricted in their ability to successfully regulate the activities of the MNC once they are operational within the country (Royle, 2000). An example of such powerful methods is highlighted by Royle (2005) based on a study carried out on the fast food chain McDonalds, whereby he examined the food chain in terms of how they had integrated into a global market; he found that, although the local employment regulations were still applicable to the organisation, “the full impact of such systems is being mediated and undermined by the strategic imperative of powerful company-based employment systems”. This demonstrates that large MNCs may pacify the local arrangements in terms of HRM legislation, but they are also driven by a commanding agenda which destroys convergence and fails to invest in employee relationships in order to become the primary shaper of the global economy (Ferner, 2002).

1.4 HRM versus International HRM?

The kernel of this thesis is to address the issues faced by MNCs in terms of the transferral of HRM policy and practice with specific reference to Malaysia; however, in order to do so, the framework for this approach must be justified in terms of classifying the HRM model. The MNC holds a unique set of managerial issues and organisational processes that need to be coordinated to facilitate the management of employees on a global scale. The precarious balance of performing as a local organisation versus the extent to which their practices resemble those of the parent organisation, or global standard they are striving to attain, still remains a concern (Rosenzweig and Nohria, 1994). Based on this knowledge, it is critical that HRM is an integrated part of the overall strategy for the organisation. That said,
Perlmutter (1986) notes that there are three strategic choices for the MNC: Ethnocentric, Polycentric and Global. However, a central issue still remains; that is, how are these HRM policies and practices transferred? Do the MNCs attempt to combine practice using methods that suit the local institutional environment? Based on these assumptions, HRM constitutes a major constraint within an MNC. In addition to these issues, there is still the perilous question of how employees from disparate national, cultural backgrounds are employed and managed successfully (Adler, Bartholomew, 1992). These questions will be addressed in more detail later in the study.

1.5 Defining the HRM Model

As it is becoming increasingly evident through this study, the foundation for the basis of the discussion is HRM policy and practices; however, there is a notable differentiation between a domestic or Western-based HRM model and an international HRM model. HRM has been defined by a great number of practitioners and academics alike as a strategic approach in the management of people within an organisation. This, in itself, is open to much scrutiny as a widely-used formulation and agreement on the significance of the term HRM has not been reached. However, in order to impose a structure so that comparisons can be drawn in terms of this study, the following definition seems appropriate:

*Human Resource Management (HRM) is a strategic approach to managing employment relations which emphasises that leveraging people’s capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programmes and practices.*

*(Bratton, Gold, 2007)*

Whilst there is still much debate around this topic, the definition emphasises that the underlying purpose of HRM is to ensure that the organisation is able to attain its goals and objectives and, ultimately, a competitive advantage through the success of its people (Armstrong, 2010). With this as a foundation, there are a number of characteristics that outline this concept. Indeed, much of the writing can be interpreted in two ways, namely ‘hard’ and ‘soft’ HRM. This work is predominantly characterised by two authors, Legge (1995) and Boxall (1996). It can be said that the soft approach to HRM is closely linked to the
Mcgregor Theory Y, whereby the employee will work to the best of their ability through trust, motivation and commitment. This approach assumes that the employee will not only comply with the organisation’s objectives, but will positively commit themselves to the values and aims of the business and give added value through their labour and work ethic. This approach denotes that such commitment will be generated through trust, based on a foundation of training and development and allowing the employee autonomy over their work (Guest, 1995). The Theory X, on the other hand, is control concerned and is driven by the operations of performance systems and performance management through tight controls over the activities of the individual. The ultimate goal here is to achieve a competitive advantage managed on an instrumental basis (Purcell, 1993). The approaches offer diametrically opposed assumptions about human nature and managerial control, yet both are evident within the traditional Western models of HRM, which are compounded with conflict, though further reflection is required in relation to the very nature of international HRM.

1.5.1 International HRM Model

In comparison to the Western approach to HRM, there are some notable differences that act as imperative elements for the success of HRM within the MNC. Generally, there are more activities involved with IHRM (Dowling, Welch, 2004), which include internationalisation of taxation for employees, relocation, socialisation, host government relationships and language/translation services. These points merely underline some of the key attributes linked with the role within the MNC in terms of ensuring that the people focus is led from a centralised point. It is imperative that the expatriate employee welfare is paramount; this is of much greater significance than the domestic HRM model as the success of embedding specific people management practices to realise profits and viability of business operations for the entire business (Scullion, 2004). Failure to establish these early routines could indeed be catastrophic in terms of the organisation’s presence on the international stage. Other HRM policies may include healthcare, spouse and family relationships support. Some of these practices are also dependant on the maturity of the MNC. As the MNC develops and grows, there is less significance placed on the role of the expatriate, and the HR focus changes in line with current people needs. There is also the
added pressure from the local governments due to the high profile of the MNC, particularly within developing countries. Another notable point for IHRM is the on-going development and management of the expatriate performance, as this differs from the standardised Western model in which the MNC hierarchy is essentially flatter, less traditional and operates more on a networking basis. Managing the performance of expatriates can create chaos, as it is often a complex approach in terms of designing and implementing an appropriate criteria for performance management, particularly when the workforce may be a combination of parent, host and developing country employees (Shen, 2003). Other points include wider variables within the decision-making process, as centralised decision-making cascaded through the MNC can be thinned in terms of the HR function itself. The trend of moving towards e-enabled HRM and the devolving of the day-to-day practice to line managers within the host country, in addition to flexible methods to the traditional HRM model, all threaten to dilute the decision-making practice and affect the role of the HR specialist (Purcell et al., 2009).

1.5.2 HRM and Malaysia

The geographical focus of this study is Malaysia. The region of Malaysia is an economic challenge for the MNC in comparison to Europe as it has a limited population, as do many countries in Europe; yet, this is coupled with the issue of limited access to trade across common borders due to the geographic nature of the islands within this region (Grant, 1999). In Malaysia, there is also conflict in terms of the HRM model as organisations compete through low prices, using inexpensive labour to perform generally unskilled activities (Kane, Crawford, 1999). The ‘hard’ approach to HRM is seen as a vital element of the cost-minimisation strategy which would imply that HRM itself within this region is implemented on a reactive basis (Midgley, 1990). The challenge for this region is not in terms of which model of HRM closely fits, but is more specifically around the lack of development within the HRM field itself. Until recently, HRM within this area has been sparse, if somewhat non-existent (Abdullah, 2009). There has not only been a general reluctance in the belief that people management can be, and is, a successful driver for adding value to one’s business, but, more worryingly, a lack of knowledge around what and how people are used to achieve this. Notably, the term HRM has begun to evolve with the rapid economic growth within the area mainly due to the penetration of the MNC. This view
is supported by the work of Warner (2000), who proposed a quest to find a definitive HRM model for the Asia Pacific region (considered to be the countries of Singapore, China, and Malaysia for the purpose of the study). This study concluded that it was a limited model and ‘far from homogenous’ due to the vast variables in geography, population, economies, labour markets and employee relations systems, as well as values. This theory is also reported through the work of Simon et al. (2008), who claim that other countries in the region have followed a Western approach to HRM, even though there are still a number of varied approaches that are mainly attributable to MNC influences in the region (Martinez, 2005). In order to investigate this issue further, it has been imperative to select one country from this vast area; as a result, this study will focus on one country from the Asia Pacific area. Following on from this foundation of literature, it is becoming increasingly evident the difficulties that may proceed in attempting to research the entire area due to the geographic nature of the region and issues aforementioned. It is, therefore, imperative that focus is placed specifically on Malaysia so that a context can be applied to the thesis.

1.6.1 Malaysia: Historical perspective

1.6.1 Location

Malaysia is located in Southeast Asia (SEA) and consists of two regions which are separated by 640 miles of sea, the South China Sea. Malaysia constitutes 13 states and three federal territories. It is an area which naturally lends itself to tourism with its outstanding scenery and beaches on one side and dense rainforests in the eastern states of Sawak and Sabah. In addition, on the island of Borneo there is a refuge for wildlife and local tribal traditions. Ethnic Malays comprise of 60% of the population. Chinese represent 26% of the population with the indigenous and Indians making up the rest. There is little racial interaction between the groups yet they exist in relative harmony. (Rees and Johari, 2010)
1.6.2 Political

Historically, Malaysia has prospered through large-scale production of rubber and tin, which was established through the British Administration at the end of the 19th century. The Federation of Malaya was established after the world wars in 1948; as a result, in 1957, the Federation of Malaya obtained independence, led by Tunku Abdul Rahman, who became the first Prime Minister of the country (Holst, 2008). Throughout the last hundred years, there have been various unsettling events in the country due to guerrillas and communist activity on the border with Southern Thailand in Northern Malaysia and with the Sarawak insurgents and a growing Chinese population, which sparked riots in the 1970s. The Chinese immigrants were encouraged by the government to run the non-farming sectors as the Malays were bound to ‘work the soil’ (Harper, 1999). This ideology was a legacy of British rulership and its colonial policies (Hefner, 2001). Unfortunately, while the British did help to educate the Malay population, this activity rarely raised young people’s opportunities beyond the production of food crops and domestic routine. However, the intent of the

Source: http://wwp.greenwichmeantime.in/time-zone/asia/malaysia/map-malaysia/
British was to protect and nurture the Malays away from the large industrialised centres created by Europeans and the Chinese to provide them with the opportunities to produce staple foods for these centres. As a result, the Malays were denied the valuable opportunity to engage in the learning cycle of how to trade (Ahmad, 2004).

However, a peace accord was struck between the Malaysian Government and the Sarawark insurgents in 1990. In terms of Human Rights, the country is still volatile with its current police force being investigated by an independent Royal Commission of Inquiry for multiple occurrences of excessive use of force, torture, ill-treatment and unlawful killings during arrest and custody.

1.6.3 Economy

The increasing significance of international trade cannot be ignored for Malaysia (Julian and Ahmed, 2009). Julian and Ahmed suggest that the increase in international trade for the Malaysian economy has been substantial in terms of transforming the structure of the country and, more importantly, providing a firm ground for external trade to flourish. The encouragement of foreign direct investment has provided employment opportunities, better standards of living for the local population and more stable earnings so that forward planning can take place on all levels within the country. The country has undergone a major transformation in the last thirty years (Keegan, 2002) to get to this stage; the land was traditionally used for agricultural purposes and primary production of materials, whereby many of the Malays lived from the land. Today, Malaysia is a modern and industrial-based economy, where the government has aided the economy by driving forward industrialisation through maximising sales opportunities and foreign investment links. Malaysia benefits from exporting its goods as well as competitively importing materials to enhance its manufacturing of goods, thus allowing the country to perform robustly within the global marketplace. Malaysia is a leading exporter of electrical and electronic goods such as air conditioning and semiconductors. In addition, its tourism industry is blooming due to the improvements in living standards and its infrastructure (Malaysian External Trade Development Corporation, 2007). The growth of the country has not been one of ease with
other developing markets, such as Indonesia, as it has had to fight for a place in the global sector by producing goods such as footwear, clothing, textiles and wooden products. Further, medium to small-sized companies have struggled to get onto the international market ladder mainly due to lack of skilled workforce, education, capital investment, suitable office space and equipment, as well as management skills and practice (Malaysian Industrial Development Authority, 2007).

1.6.4 Foreign Investment

According to Hassan et al. (2013), there has been a rapid expansion of foreign retailers within Southeast Asia. They conclude that this has been largely due to the increase in efficiency in telecommunications and information technology, and in particular the increase in drive from governments to attract foreign investments with a view to becoming players in the global marketplace. A great development within global policy was the World Trade Organisation’s General Agreement on Trade in Services Agreement 1995, which later led to the formation of the Organisation for Economic Cooperation and Development (OECD) in 2002. This paved the way for industries of all strains to access international markets. The retail sector in particular has flourished as a result. Names such as Wal-Mart, IKEA, Makro, Courts Mammoth, Carrefour and Tesco have intensified their globalisation operations as a result and now all operate on a local level within Southeast Asia, with the latter holding more than 10 sites within Malaysia (IMF, 2014). Foreign retailers now account for over 50 per cent of the Malaysian retail industry, with the majority of the outlets focused around the centres of Kuala Lumpur and Selangor. Tesco PLC entered the market in 2002 in Malaysia by opening two stores; in 2014, Tesco operated 49 hypermarket stores, two distribution centres and occupied over 4 million sq ft in sales floor space (Tesco PLC.com, 2014). The projected growth in terms of retail sales for Malaysia has dramatically increased from US $59.01 billion in 2008 to US $124.55 billion in 2016 (IMF, 2014). In 2012, the Malaysian government also passed legislation to allow 100 per cent foreign ownership of department stores, thus encouraging foreign investment in the retail sector (USState.gov, 2013). Schaapera et al. (2013) state that the influx of foreign retailers in this geographical area has been encouraged; markets in Europe are facing saturation levels due to laws which now restrict large-scale retail outlets. Low growth due to high competition has pushed these giants into developing markets. In terms of the Malaysian retail market, predominantly in
the 1980s a small, traditional shop culture grew that offered a limited range. However, due to the growth of the international trade within the Malaysian economy, household disposable income increased and consumers increasingly sought affluent shops to reflect this (Coe, 2007). As a result, the retail sector began a rapid expansion to large department stores and supermarkets. Within this sector, there has also been the expectation that this development of the industry would lead to the promotion of more sophisticated methods of retail and modern applications such as checkout improvements, self-scanning and a generally more modern approach.

1.7 Issues transferring HRM practice to Malaysia

In order to conclude this chapter, it is necessary to establish a focus on the relationship between the discussion of HRM practice and the potential issues faced by MNCs in Malaysia. The contextual discussion of Malaysia provides a succinct foundation for this study. Specifically, it raises questions surrounding the potential issues of transferring HRM practices from the MNC into Malaysia. According to Cappelli et al. (1992), the poorly-developed labour market and skills base provides an instantaneous issue for the transferral of HRM policy and practice. Physical and financial resources are often in short supply, but the quality of the local labour market is vastly different with education and skills struggling to meet employers’ expectations. Global organisations can support the financial resources, but the education of the local market can still create a challenge as essentially this can lead back to primary education level. Clearly, investments made into education will not be a short-term reward, but a long-term investment for multinationals wishing to engage the local labour market (Worasinchai, 2010). The importance of family life and ethnic support systems can also demonstrate barriers for Western HRM practice and employee engagement. In the West, the development of the nuclear family facilitated the increase in mobility between careers and home life, though the extended family does not exert such a strong influence in today’s society. The improvements in communication, mass education, culture of consumerism and changes in social attitudes have all led to flexibility in the family nucleus. However, this may differ in a developing country (Marsden, 1991), where ethnic and even tribal support systems heavily influence employment relationships. Another contextual factor is the lack of political stability and the presence of autocratic governments, which can lead to short-term and opportunism by those in power and
authority. Aycan et al. (2000) found that the concept of cultural fit had an influence on explaining the effects of HRM and practices within MNCs. Their studies support the argument that MNCs should adapt their HRM practices to fit local culture. However, local managers may want to adapt to their HRM practices regardless. However, the question of culture and how this specifically resituates in Malaysia will be discussed in later chapters of the study.

1.8 **Significance of the study**

The literature reviewed has demonstrated that the nature of HRM within Malaysia is fraught with inconsistencies, particularly in terms of definition, managing people to achieve competitive advantage and the relationship of HRM with the MNC and the host environment. Furthermore, this study’s preliminary analysis has illustrated that, for an emerging economy such as Malaysia, managing people effectively is of significance as this can ultimately act as a catapult for the economy. Yet, although much has been written in terms of HRM, there is still the opportunity for further discourse on managing HRM within the Asia Pacific region and, in particular, Malaysia. The literature review revealed much discussion on varying contexts for HRM with a Westernised approach, and those studies in the Asia Pacific region have predominantly been undertaken in the form of relatively developed countries such as Singapore, China and Korea. There appears to be a clear opportunity to investigate the gap in the literature based on transferral of HRM practice and the host country within Malaysia.

1.9 **Purpose statement**

This study will therefore attempt to address the need for research into HRM in multinational companies in Malaysia. The study will examine how HRM is transferred from parent to host organisations. The details of how this study will be organised are set out in the research design below.
1.9.1 Research design

This study will adopt a case methodology approach. However, there is clearly the question of why this study should adopt a case methodology approach without consideration of a study across a number of organisations. The case study method, as discussed by Stake (1995), notes that the objective of studying one organisation is that it can be helpful to understand, in depth, the complexity and nature of the case study in question, as opposed to and conducting a more superficial comparative study across an industry or sector. This view will be discussed in greater depth in Chapter 3 of this thesis.

1.9.2 Ethical considerations

Given that the study will be carried out within a multinational organisation in Malaysia, there are many ethical issues which need to be considered, particularly with regard to the anonymity of the interviewees and the confidentiality of the organisational evidence. The specific details of approach and how this will be managed is discussed in a later chapter. There is an overriding need, however, to maintain professionalism when producing works in association with this study and to remain as impartial as possible in order to avoid limiting further studies and, perhaps, damaging good relations with the organisation.

1.9.3 Research aim and objectives

In order for this study to remain focused and valuable within its field, it is essential to propose at an early stage an overall aim which will guide the line of enquiry throughout the literature review, research design and methodology and analysis of data.

Aim:

This research aims to examine the organisational framework of Human Resource Management within the UK and Malaysia. A particular focus will be on how the parent and host company interact to shape the process and delivery HRM policy development in order to meet with the challenges of improving the working environment for staff.

Research objectives:

1. **The adoption of westernised HRM practice.** To situate the case study in the context of HRM in the UK and Malaysia.
2. **The organisational structure.** To identify company factors influencing HRM policy and practice in the transferral of HRM between UK/Malaysian operations and gain insights from any differences identified.

3. **The hybrid approach.** To investigate how HRM is perceived by managers throughout the company.

1.9.4 Organisation of the study

This study will be structured into six chapters. A brief summary of each of the chapters is outlined below:

- **Chapter 1: Introduction**

  The first chapter has provided the foundation stage to the piece of research. It highlights the rationale behind the research and explains why this research is significant. In terms of content, this chapter has outlined the current perspective on International Human Resource Management and the challenges that it faces. This was followed by an in-depth appreciation of the background of the chosen country and organisation selected as a case study. Finally, an overview of the study aim and objectives was presented to aid the planning and organisation of this study.

- **Chapter 2: The Literature Review**

  This chapter reviews the theory of Human Resource Management in depth by examining the historical beginnings of the concept. The aim of this chapter is to situate HRM in context and to explore the literature, both past and present, for any gaps that may be significant. It is perceived that this chapter will provide a theoretical foundation for this study and highlight any emerging themes which can be examined further within this study.
• Chapter 3: Research Design and Methodology

This chapter aims to describe the research design adopted for this study. Within this chapter, the reader will be provided with information about the various approaches to research philosophy and, moreover, the reasons for the choice of research philosophy within the context of this study. The methods used will be discussed alongside an introduction to the research setting, unit of analysis, ethical considerations, organisational access and the design of the data collection methods.

• Chapter 4: The Findings (1); A Qualitative Analysis

This chapter will describe the findings of a qualitative analysis of views collated from interviews of level three managers and above, situated in stores in Malaysia. These interviews were designed to reach senior management opinion and to act as a contrast or support to those views gathered through the questionnaire.

• Chapter 5: The Findings (2); A Quantitative Analysis

This chapter will describe the findings of the quantitative analysis, which has been performed on the data collected from the questionnaires. The questionnaire was designed to capture the views of the occupational roles within stores located in Malaysia. The questionnaire gathered data of this nature based on three key themes: HRM Policy, Perceptions of Managers and Staff Development.

• Chapter 6: Discussion, Implications and Recommendations

On the basis of the findings of the study, this chapter encapsulates how HR policy and practice is transferred from a multinational parent company based in the West to a host subsidiary setting in an emerging economy. This chapter will provide a synthesis of all the findings and present a summary and discussion, drawing upon conclusions of the study as a whole.
Chapter 2 Literature Review

2.0 Introduction

This chapter examines the nature of Human Resource Management in order to provide a foundation to support the research objectives of this thesis. This chapter will focus on the various models and concepts of HRM in order to establish a theoretical framework to support the empirical investigation. The structure of the literature review will appear as follows:

- The historical perspective
- Theories and concepts of the HRM field
- Strategic HRM
- International HRM
- HRM and Malaysia

2.1 The historical perspective

2.1.1 The development of Human Resource Management

The principle of managing people is not a new concept and, for many years, people within the workplace have been managed, supervised, organised and directed to achieve the desired goal of bottom line profit. Yet, the term Human Resource Management is relatively new in this context (Langbert, 2002).

The concept of welfare personnel was developed in the late 1800s within the United Kingdom and was prompted by ‘humane concerns’ from what were known at the time as ‘dominant business families’ such as Cadbury and Rowntree (McKenna, Beech, 2008). The families were concerned with the consistent treatment of their workers and this was also known as the Quaker tradition. As a result, there were a number of processes designed to support workers, which were seen as ‘progressive’ at the time. These new worker initiatives included unemployment provision, sick pay and subsidised housing (Flamholtz, 2002). However, there was also much unrest at this time, as some less scrupulous business owners seized the opportunity to use the new supportive schemes as alternative methods of pay for...
workers and, more importantly, a method to dilute union unrest (Wright, Rudolph, 1994). These schemes progressed until the Second World War and were also added to by other schemes such as workers’ outings and canteens (Martocchio et al., 2005).

It was at this point that people management began to take on a new perspective in the form of Personnel Administration (Boselie, 2009). This perspective would include support for management within the organisation in terms of recruitment, discipline, timekeeping, payment systems, training and the keeping of personnel records (Edmonds, 1991). This progressed into the 1950s with other functions being incorporated, such as salary administration and advice on industrial relations. However, it is worth noting that, at this stage, the input from personnel would be of a tactical nature as opposed to strategic, although clear links between personnel and organisational growth were beginning to surface (Prowse, 2010).

The 1960s and 1970s saw a significant growth in the numbers of staff engaged within personnel work. This was due to a number of key factors (O’Reilly, 1995).

Firstly, there was an increase in new legislation. This set new boundaries and guidelines for organisations that had influence over the manner and method in which people were managed within the organisation, such as the Race Act, 1965, later followed by the addition of the Sex Discrimination Act in 1975. These acts clearly had influence not only on current employees, but predominantly on the recruitment and selection methods of prospective new employees (Armstrong, 2011).

Secondly, the state of the economy was also a key contributing factor in the numbers of engaged staff within the personnel function. The economy grew rapidly within this period, inducing a sharp influx in recruitment for organisations. This meant there was less need to focus on labour shortages, which had been a key influence during the war and post-war recovery, but greater focus was now required to attract and retain skilled workers and develop the skills of existing workers (Foot, 1999).

Thirdly, Training Boards were introduced, which were supported through levies from industry and grants for government schemes to support the economy. Focus was aimed less
on recruitment and more on the selection of workers due to the increase of quality within the skilled labour pool (McKenna, Beech, 2008). The need for training specialists within the Personnel function grew during this period, while the introduction of new activities such as performance appraisal, management by objectives, management development and manpower planning were designed to enhance the performance of the current workforce (Reid, Brown, 2009).

Lastly, Union influence peaked during this time and the Personnel function had the delicate role of liaising between the worker and managers. As a result, negotiation skills acted as a key element within the role, with frequent involvement between the two key players (Costine et al., 1995).

The Entrepreneurial stage in the 1980s saw the adaptation to the market economy and enterprise culture of the personnel role. The personnel role became involved within this stage, contributing to discussion about strategy and objectives linked to the future direction of the organisation, which was preoccupied with the management of change and the development of an appropriate organisational culture (Gill et al., 1975).

Other influences at this time came from the East. One such influence was the Japanese approach to industrial relations, which saw the introduction of the single union to represent the workforce, quality circles and total quality management processes (Basu et al., 1999). The recession of the early 1980s had a considerable effect on the role of the trade unions and, in turn, on personnel practices. The trade unions were forced through legislation to change from centralised bargaining and striking became less effective as workers were easily replaced due to high unemployment (Hargreaves-Heap, 1979). The Conservative government introduced ten new major acts of legislation over this period, which shattered the traditional trade union approaches and formation (Ichino, 2006). These were introduced to reduce the union autonomy and legalities of industrial action, which also saw the eradication of closed shops. Representatives now had to be elected and ballots were introduced (Carby-Hall et al., 1996). As a result, there were significant changes within the workplace which encouraged organisations to look more closely at the hierarchies within their staffing. The weakness of the trade union allowed organisations to make the changes more efficiently (Cockshott et al., 2005). The Personnel function acted as a key catalyst in
shaping new structures in order to make organisations more productive through increased worker productivity, while fewer workers were employed making staffing structures leaner. The emphasis was on selection of quality as opposed to recruitment-focused initiatives (Fernie, Metcalf, 2004).

It is at this point that the emphasis began to shift from personnel to human resource management, as structures became leaner and focus on individuals was more apparent and easier to manage without the constant fear of the trade union interventions (Weiss, 2006). This was the post-entrepreneurial stage (Hunt, 1984). Here, the focus was now placed on the organisation itself and the spirit of consent of the employee and value of teamwork was prevalent. There was also concern for core workers’ commitment, as the expectation of the employer grew to encourage flexible working and working beyond the job description, while wages reflected the market rate as opposed to the trade union influence (Auvergnon, 2006). There was also greater focus on the strategic goal, which was clearly linked to organisational success. Although the trade unions were weaker and had less influence, there was another cloud forming on the horizon in the form of the European Union.

### 2.1.2 The European influence on HRM

When considering the development of Human Resource Management from a historical perspective in the UK, it would be naïve not to discuss those factors which have influenced the evolvement of this approach to the management of people (Theriou et al., 2009).

One of the most significant influences that the European Union has had on the nature of HRM in the UK is the Social Chapter, which forced companies to approach activities such as consultation and hiring and firing in a cautious manner in comparison to the relative ease which dominated these processes in the past (Guest, 2000). Other legislative influences have included the change in laws on employment and remuneration.

The influence of the EU has also led to a focus on group schemes such as systems of work, welfare initiatives and employee supportive legislation such as the minimum wage as opposed to the British-led individualism, which can often be described as controlling and restricting in terms of labour laws (McDonald, 2000). The EU seeks to emphasise employee
welfare, involvement and commitment. Sparrow (1999) states that HRM within the UK is becoming a reflection of those changing HRM practices globally due to the initiation of regulatory frameworks and the strong need to drive costs downwards, thus forcing downsizing and even closure of some sites (Brewster, 1991). However, this has also allowed the introduction of other initiatives such as labour flexibility and outsourcing, and rewards are performance-based and benchmarked (Barnes et al., 2003). Other influences include social responsibility and obligations relating to this field, such as concerns for environment and for the community. Interaction between the organisation and the community has led to local autonomy and a mutual respect for local employment and the environment (Heisenberg, 2006). However, this largely determines where HRM sits in the current environment. Therefore, before we move on, it is essential at this point to understand the factors that have shaped HRM as a concept.

2.1.3 The development of HRM as a concept

The concept of Human Resource Management has been the focus of much debate in the last 20 years or so, and this has been driven with one major goal in mind, namely to gain unrivalled market domination (Ehrlich, 1994). The key driver of this goal originated from various sources (Lodge, 1995). Increasingly, studies demonstrate that companies which are not focussing on this element of management are finding it difficult to compete in markets that they once dominated and, in some cases, are being overtaken by those competitors with robust people management practices (Walton, Lawrence 1985). The growth within the HRM field is also due to the emphasis placed on the function by academics. For example, in the late 1980s, academics at Harvard University placed HRM as a key component of their MBA programme, highlighting the importance of its role within business as no longer the support function, but a key strategic determinant (Walton, 1985). Harvard University claimed that the main focus of HRM was to secure employee commitment and fulfilment, which would clearly lead to improved practice and efficiency throughout the company, whereas profits and productivity were previously understood to be the main business objectives to secure success (Clark, 1993). At this point, there was also the emerging work of Fombrun et al. (1984), who suggested that there were ‘four generic human resource activities for all organisations’:
• Selection, promotion and placement process
• Reward process
• Development process
• Appraisal process (Tichy et al., cited Edgar and Geare, 2005).

It was suggested by these authors that, if these four processes were aligned with the organisation’s goals, then they would instantaneously achieve their strategic vision and, ultimately, market domination (Beer et al., 1990). Running alongside these writers were also those in the UK, who observed the progress made towards the ‘Harvard commitment’ concept. The work of key writers such as Keenoy, Guest, Storey and Legge have already been briefly examined in their relation to ‘hard’ and ‘soft’ HRM and will be evaluated further within this chapter.

**Figure 2.1 Definitions of Human Resource Management**

**Armstrong and Long (1994):** ‘A strategic approach to the management of an organisation’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives for sustainable competitive advantage.’

**Bratton and Gold (2000):** ‘HRM is a management process that specialises in the management of people in work organisations.’

**Boxall and Purcell (2003):** ‘HRM covers all workforce groups; involves line and specialist managers; and incorporates a variety of management styles.’

**Sims (2000):** ‘HRM is the term increasingly used to refer to the philosophy, policies, procedures and practices related to the management of an organisation’s employees that contribute successfully to attracting, developing, motivating and maintaining a high-performing workforce that results in organisational success.’
Storey (2001): ‘HRM is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques.’

Source: Boxall and Purcell (2003)

The definitions conclude each of the author’s perception of an HRM function. However, as this table concludes, there appears to be little cohesiveness of one approach to HRM. The definitions presented in Figure 2.1 merely identify the similarities and differences of opinion as to what makes up HRM. But why is it so diverse?

2.1.4 Examining the diversity in the definition of Human Resource Management

As can be seen from Figure 1.1, there are similarities between academics who attempt to define Human Resource Management, the main being that the concept of people acts as the common denominator (Cakar et al., 2003). However, there are also many dissimilarities and contrasts of opinion amongst the academic community in terms of the definition and concept of HRM itself.

On researching the topic of HRM, with a particular objective of finding an ultimate solution to the quest, the question arises as to the definition of HRM. There are notable concerns, the first being highlighted is the fact that there is no singular definition for the term HRM that is accepted by both academics and practitioners alike (Gibb, 2001). There is further conflict when reading the research of authors such as Monk (1994), who perceives that the notion of HRM is a ‘slippery concept’ as it can be perceived to be whatever the researcher or author concludes, based on their own innate beliefs and outlooks. That there is no firm definition of HRM and, therefore, it has different meanings to different people (Lehtonen, 2005).

There is much debate about the identification of the key issue of what the difference is between Personnel Management and Human Resource Management. Guest (1987) states that the model of HRM can be characterised as ‘...being people-orientated throughout with an ethic of respect for the individual, maximisation of individual talent, well-developed well-integrated policies and practices, genuine consultation and involvement, and clear
challenging goals with feedback.’ This arguably does not clarify the difference between Personnel and HRM, but merely demonstrates a movement in the approach from ‘hands-on’ and a ‘fire fighting’ line to a more planning and future focused method to managing people at work (Kane et al., 1999).

This view is also supported by the work of Legge (1989), whose work characterises a strategic management approach to people in the workplace. Her view is to utilise the workforce at all levels of the hierarchy within the organisation to develop and sustain competitive advantage.

It is also noted at this stage that there is a comparison between the views of Guest (1987) and Legge (1989) and the earlier work of Megginson (1972), who professed that Personnel Management ‘is to be found through the direction and control of human resources of an organisation in its daily operations... the successful performance of the personnel function necessitates that each manager orient himself within the total business environment in order to help achieve the various organisational programs and objectives.’

Through a brief comparison of HRM and Personnel, it is evident that HRM can be defined as the successful fit between the workforce and strategic management to enhance the capability of the organisation in terms of competitive advantage (Harris, 1984). However, there is still the conflict and ambiguities that embroil the definitions of HRM; for example, Legge (1995) has questioned whether the ‘fit’ relates to the external assimilation of HRM and business strategy, or the internal ‘fit’ of HRM policies and strategic organisational objectives. Regardless of these ambiguities, it is noted through the literature that there are clear distinctions between HRM and Personnel Management, as the latter can be described as a short-term solution and a reactive measure to managing people (Sonnenberg, 2011). The next section will examine further the linkages between HRM and Personnel.

2.2 HRM versus Personnel

One of the root causes which has led to the development of Human Resource practices within the West today has been the ability to provide businesses with the right calibre of staff and mix of people (Wang, 2008). Indeed, to have the opportunity to develop
individuals and ensure that their working relationships are of the desired quality in order to retain their loyalty and services which will commit to the overall strategy of the business, or the corporate plan (Hendry, Pettigrew, 1990). This considered, in order for such processes to work, they must be consistent and holistic and cannot operate on an isolated basis, as the key to effective people management techniques is the holistic approach (Becker and Huselid, 2000).

Traditional approaches to Personnel Management have been parochial, whereby the personnel manager aims to operate to inform and attempt to influence the line manager (Baruch, 1997). In contrast, the HRM function would operate on a much more integrative basis, where the HR Manager is a proactive integral part of the team, striving to attain business efficiency throughout (Keenoy, 1990).

The role of personnel has predominantly been to manage the bureaucratic approach and administrative systems within the business, to maintain control of people and to suffocate conflict. It was also stated in an earlier work of Drucker (1961) that personnel management was ‘a collection of incidental techniques without much internal cohesion... a hodgepodge’. The personnel role also is denounced as a ‘series of activities’ which are related to the employee relationship with the company (Redman, Wilkinson, 2006). There is also the controversial approach to Personnel Management by the author Armstrong (2011), who describes the shift from personnel to HRM as ‘Old wine in new bottles’. It is also of notable discussion that authors such as Miller (1989) note that HRM is simply a ‘variation on a theme’. Fowler (1987) offers additional insight when he describes the difference between personnel and HRM as ‘...what’s new in HRM is not what it is, but who is saying it... HRM represents the discovery of personnel management by Chief Executives’. In addition, Guest (1987) highlights that a number of Personnel departments have now had their names changed to Human Resource Management, yet without any notable changes in terms of job structure, theory or policy practice.

On the contrary, the approach to HRM promotes the individual discussing issues and bringing difficulties to work where they can be problem solved, brainstormed and a solution reached through a team approach (Panayotopolou, 2004). The critical issue here is within the vision and leadership of top management to provide direction and commitment to
change with the evolving business needs (McKenna, 2008). In order for this approach to succeed, a strong culture is defined which is linked through each individual to promote one approach, which is clearly underpinned through organisational values.

There is also another dimension which sits within the framework of HRM, namely the business partner. Here, it is discussed by Whittingham (2005) that the HRM approaches are diluted to form part of the business manager’s role; the function does not stand alone as an isolated feature of the organisation, but is an integral part of the daily life of the business partner, who must acquire the competencies necessary to perform the HRM role as part of their role. According to Hislop (2006), it is also apparent that the HRM professional must also seek sources from outside the business, which will support and maintain growth within through securing the influence of external experts. These experts can be ‘tapped’ into to enhance the performance of the business operation as a whole and share knowledge which may be developed internally (Maxwell, 2008).

There are also some ‘distinctive’ features which highlight the approach of HRM (Armstrong, 1992), such as achieving objectives within the following areas: Organisational effectiveness, Human Capital Management, Knowledge Management, Reward Management and Employee Relations. HRM seeks to transform the differing melange of policies co-existing within organisations, which are often associated with Personnel Management, and which need to be defined and aligned with the corporate goals and values as an integrated process to achieve organisational success. Caldwell (2004) examined the importance of policy, as well as the progress in UK organisations, of implementing HRM policies; he filters his findings into 12 policy goals for the HRM specialist (see figure 2.2 below).

**Figure 2.2  Policy Goals for an HRM Specialist**

1. *Managing people as assets that are fundamental to the competitive advantage of the organisation.*
2. *Aligning HRM policies with business policies and corporate strategy.*
3. *Developing a close fit of HR policies, procedures and systems with one another.*
4. *Creating a flatter and more flexible organisation capable of responding more quickly to change.*
5. **Encouraging team working and cooperation across internal organisational boundaries.**

6. **Creating a strong customer-first philosophy throughout the organisation.**

7. **Empowering employees to manage their own self development and learning.**

8. **Developing reward strategies designed to support a performance driven culture.**

9. **Improving employee involvement through better internal communication.**

10. **Building greater employee commitment to the organisation.**

11. **Increasing line management responsibility for HR policies.**

12. **Developing the facilitating role of managers as enablers.** (Caldwell, 2004)

In addition to these 12 goals, the root of Caldwell’s work was to examine the significant gap as described in the work of Guest et al. (2000) and Keep & Mayhew (1999), which existed between prescription and practice of HRM within UK organisations. The research led to the conclusion that many UK organisations were still not choosing to adopt HRM practice. Conway (2000) stated that there was clear factual evidence to show that the progressive nature of HRM approaches led to the organisational effectiveness and success through the promotion of improved business performance. This led to the underlying issue and, indeed, question by Guest and King (2001), ‘If good people management is self-evidently beneficial to organisations, why do not more of them adopt it?’

As can be seen from the earlier discussion within this chapter, the traditional research based around HRM has been founded by the need to identify the nature of HRM and the differences between HRM and Personnel (Sheehan, 2005). However, there is a void in terms of the progression within research of this subject as highlighted by Hoque and Noon (2001). This leads to the question of how to implement effective HRM practices within organisations and to close the potential gaps which exist within this process. Influencing such implementation is scourged with the differences of organisational settings and professional advocacy (Liao, 2005). In addition, there are many forms of HRM models, depending on the approach, so it is imperative to assess some of the work of the key authors within this field to add context to this discussion.
2.2.1 Key Human Resource Management Models

**Hard and Soft HRM?**

Human Resource Management is often described as two diametrically opposed concepts, being the hard approach and the soft approach. This initial concept was first discussed by Guest (1987). Guest analysed HRM within a context with the objective of seeking to define the normative forms of HRM. He devised soft-hard in relation to loose-tight control of the people within the organisation. This was then plotted along an axis of weak-strong. The term of hard and soft HRM can also be linked to the more traditionalist origins of HRM, such as the Harvard Model as described by Beer et al. (1985) and the Michigan Model of HRM (Fombrun, 1984). The former Harvard Model would be closely related to the characteristics of the ‘soft’ approach and the Michigan Model would, in contrast, follow the characteristics of the ‘hard’ HRM model. The theory defines whether the focus of managing people is centred on the **human** or the **resource** within the organisation (Storey, 1992).

As detailed in the work of Truss et al. (1997), the two opposing theories exist as a result of research which determined that neither one, nor the other, existed within an organisation without the influence of the other. Therefore, there is not one uniformed approach, but it would appear through this work that hard and soft systems exist, complementing each other. Storey (1992) opposes this theory as he states that the hard and soft approach is not an accurate representation of what is happening within the people management of organisations currently. It is also stated that there is no pure form of either hard or soft, and that the distinction between HRM and reality is such that it is difficult to ascertain whether either exist or co-exist (Richbell, 2001).

**The hard approach**

This theory operates under the view of the *economic man* in that people must be managed under tight control and an authoritarian approach. It can also be described in terms of McGregor’s work of theory X and theory Y. The hard approach would follow the theory X. This approach is defined by calculation of the headcount, statistical data and a quantitative approach, which thrives on detail and rationale and aligns with the strategic fit of the organisation.
The soft approach

This theory denounces the view that organisational success must be achieved through control-based commitment of the people. Thus, the soft approach would follow theory Y of McGregor’s theory. This approach is defined through self-fulfilment and eliciting commitment, where behaviours of individuals are self-regulated and not restricted through pressure and control. The relationship of trust is a central focus point within this approach, which is flexible and adaptable within nature and communication is paramount to achieve business performance success (Garavan, 1998). This approach also suggests that people work best and most efficiently if they are fully committed to the organisation, which aligns to the principles of the ‘hermeneutical man’ and which is ‘self-bound’ and creates boundaries and structures as opposing to working within them (Noon, 1992). This also implies that the employee would not be bound by the organisation’s wishes, but would be fully driven and committed towards achieving such wishes, providing added value through their labour contributions (Legge, 1995). It could be suggested under this model approach that commitment will be generated through trust and open communications between manager and employee.

In contrast to these two very opposing views, Guest (1987) developed his own model of HRM whereby both hard and soft features existed, yet the two by nature rest on opposing principles. He devised a model which outlines three main areas of focus: HRM policies which, if delivered, will consistently act as levers to enable HRM outcomes and, thus, will lead to organisational outcome (see figure 2.3).
Through Guest’s own admission (Price, 2003), this model does clearly tie in the employee in terms of commitment to the aim and objectives of the organisation and, as previously noted, the mixture of hard and soft elements of HRM are clearly visible. It is also founded on the ideology that HRM is dramatically different to Personnel (Legge, 1988). Each element of this table must operate within a consistent strategic, cultural and defined lead operation in order for the outcomes to be fully recognised by the organisation. The elements or levers need to support each other and act as an integral part of the overall plan in order to achieve the business strategy.

This is also supported by the design of the HRM Model by Storey (1992), who identified four key features of a HRM model, which also incorporated hard and soft elements. The fit between Human Resource Management and the organisational strategy should focus on the overall business objectives and should work hand in hand to produce a competitive advantage (Gowler, Legge, 1991). However, the hard and soft approaches to HRM are fraught with inconsistencies and ambiguities as the foundations of these theories are set upon opposing assumptions. This is supported by the research of Truss et al. (1997) who observed that there was not one uniform approach to HRM in terms of the hard and soft models, but that the organisations within the study illustrated that a mixed approach of the two theories existed (Keith, 2009). Also, within the discussion, it was noted that there were
strong elements of the soft approach whereby training, development and commitment were acting to improve the bottom line, namely profit (Beardwell, 2000). Where training and development did exist and was prominent within the organisation, the main aim of performing such initiatives was not focused on the improvement of the individual for development but, instead, on improving and acquiring the necessary skills to enhance operational performance and efficiency (Francis, 2006). It was concluded within this research that the rhetoric of the HRM model was clearly soft yet, in reality, it was the hard approach that prevailed; a side effect of this may be the individual and their development. To clarify, the individual may be encouraged to focus on tasks, while their own development may be ignored as a result.

Based on this view, Purcell and Ahlstrand (1994) identified another HRM model, the strategic choice approach. They identified that there are three streams of strategic choice within an organisation. The first order is described as the long-term direction of the organisation. The second order is the considerations which apply to the detailed aspect of the long-term direction, such as the structure of the organisation to achieve the long-term goal; this might include scenario planning and the design of specific policies such as recruitment, selection, planning, or performance review. The third order is the basic parameters of effectively managing people within the workplace to achieve the goals. It was concluded that there are influences that affect the overall people strategy, which are mainly the leadership and ability of the manager, in particular their ability to achieve the goals set out in the context of a local environment (Bratton, Gold, 2000). Purcell, in his later works, defined the Human Resource Strategy as ‘emerging patterns of action’ which are likely to become visible after the event and be intuitive in nature. This view is contested by the work of Colling (1995), who stated that the view of a strategic choice theory based on HRM policy ‘exaggerated’ the need of the business to take less consideration for the local environment and that, often, organisations would operate from a central basis, ignoring the need for a specific localised approach (Aghazadeh, 2003). This leads to the two main aspects of strategic HRM. Firstly, the approach of ‘fit’ and whether the HRM strategy ‘fits’ with the overall business objectives; secondly, the ‘resource based’ view, which will be examined in a later section of this thesis. However, there are some notable discussion points which have
been highlighted when demonstrating the various models of HRM and which will now be examined further.

2.2.2 Criticisms of HRM models

Previously, in the context of this study, it can be concluded from earlier discussions that there is notable debate around the lack of a universally accepted definition for the concept of HRM, although this section has identified key authors that have classified HRM into specific models (Hoobler, Johnson, 2004). It is clear that, as well as notable overlaps between models, there are also significant differences amongst the various HRM models discussed here. What is particularly striking about this in terms of a criticism is that the same term can highlight such dramatic variances, signalling opposing sets of assumptions as a result (Berridge, 1992). This echoes the work of Monk (1998), as discussed earlier, in that HRM is open to interpretation and that, when ‘in the wrong hands HRM becomes both a sharp weapon to prise workers apart from their Union and a blunt instrument to bully workers’. When stressed in such a manner, it is notable that HRM can also appear to be nothing more than a reassertion of management control. This also underlines the theory of the ‘hard’ approach to HRM as described by Storey (1992). Legge (1989) also supports this view in that there are notable differences in the definitions of HRM, but also in the characteristics which may be ‘irreconcilable’. Noon (1992) also stresses that the labelling and definition are crucial, as each interpretation of the definition carries a dramatically different practical implication and expectation of the management of people at work.

Guest (2001) indicates that there are also criticisms of the aforementioned HRM models in terms of the worker’s interpretation, which offers a fresh approach to the consideration of the academic theories surrounding this topic area and which predominantly focus on the relationship between HRM and performance moreover the implications of workers as opposed to the focus of the business and HR Strategy. The work of Guest (1987) has been criticised by a number of dominant authors within this field, such as Legge (1995), who provides a powerful critique of the ‘rhetoric and realities’ of HRM with a focus of improving worker commitment. This approach is widely overlooked when examining aspects of the models of HRM, such as Storey’s (1995) Hard and Soft Model. In contrast, Keenoy (1990) focuses on the ‘limits and inadequacies’ of HRM and approaches these largely as a failing entity: ‘The real puzzle about HRMism is how, in the face of such apparently overwhelming
empirical “refutation”, it has secured such influence and institutional presence.’ This quote does highlight one consistent contradiction, being that it is difficult to criticise an HRM model for its alleged threat when it is claimed by the theorists such as Legge (1995) as either not being practised or being ineffective when HRM is practised (Guest, 2001).

There is also another perspective as indicated by Wilmott (1993), who is openly concerned with the ‘dangers’ of HRM success. The dangers he expresses with the models of HRM are concerned with the implementation of these models in a practical sense and the influence that they may have on shaping the organisation in terms of culture, individual commitment and loyalty and, moreover, the form of management control these preclude. However, the work of Foulkes (1980) highlights the approach of the ‘soft’ HRM, as it is centred on the belief that a motivated and contented workforce adds success to the organisation through the willingness to contribute.

However, there is still a large influencing factor that has not yet been discussed within the context of the HRM debate and that is the formulation of another approach to HRM, namely Strategic Human Resource Management.

2.2.3 Strategic HRM

The term Strategic Human Resource Management (SHRM) is an element of HRM which examines the method of managing people that is clearly linked with the strategic aims of the organisation (Massey, 1994). As we have discovered in previous discussions around the terminology of human resource management and the notion of the extent of its existence within modern management practices today, there is also much speculation and criticism concerned with the term ‘strategic HRM’ (Bamberger et al., 2000). These authors identified that there is also conflict when interpreting what is classed as strategic HRM and an HR Strategy and which of these relates to the outcome or the process (Budwhar, 2000). They conceptualise the Human Resource Strategy as an ‘outcome’ stating that ‘the pattern of decisions regarding the policies and practices associated with the HR System’. In addition, they define, according to Bratton (2007), that there is the underlying question within the notion of SHRM as to what determines an organisation to strategically align HRM practices and the business goals, whether there are other factors to consider such as the external environment and internal characteristics. The ideology of Strategic HRM has been focused
traditionally by authors such as Ouchi (1981); however, the idea that effective management of people could lead to the fundamental competitive advantage of an organisation has been outlined more recently (Beer et al., 1985).

2.2.4 Matching or best fit model of HRM
Throughout the developmental period of human resource management in the 1980s in the UK, there have been (Underwood, 2000), as discussed, a number of approaches, including one school of thought named the Michigan School led by Fombrun (1984). This school aims to formalise the relationship between human resources and the organisational objectives; that is, to strategically align human resource activities with the business goals (Zeffane, Mayo, 1994). Within this, the HR professional is assumed to take the lead role of strategic business partner, focusing on employee champions, change agents and the application of human and intellectual capital theories to ensure effective business outcomes (Hendry, Pettigrew, 1986). Although this model aims to focus on the strategic approach and align company policy with human resources policy, there is also the focus on structure, culture and employee resourcing and development. This model is seen as the traditional strategic HRM view (Beardwell et al., 2004); however, this section will review other models within this paradigm.

The traditional approach to the matching or best-fit model was devised by Devanna et al. (1984), whereby strategy, structure and HRM are influenced by environmental forces, yet also enhance each other within the constraints of the model. It could also be suggested that each element of the model provides constraints and goals for the other element, so that it is an interactive model where one element feeds from another. There is also another approach requiring further examination within this forum of Human Resource Management, namely the Resource Based Model.

2.2.5 The Resource Based Model
This model describes a different way of thinking in terms of strategic Human Resource Management, whereby the internal resource is considered a fundamental element of the model as opposed to other SHRM models, which consider external factors. The Resource Based Model (RBM) is focused around those factors that occur within the boundaries of the
organisation in order to ensure that external influences can be managed if the in-house operation is efficient. According to Barney (1991), this approach seeks to clarify the internal competencies of the workforce that external operators, such as competitors, would struggle to imitate or define. These competencies would include factors such as capabilities of the employees, knowledge and skills based around the workforce in terms of their strengths and weaknesses, and how to develop both elements further (McKenna, Beech, 2008). The focus of this process is to take an inward look at the organisation in terms of those people with the overall goal of gaining a sustainable competitive advantage. The next stage in this process would then be to align this skills analysis with the Human Resource competencies to ensure fit. This method also acts as a continual review process, as there may be skills within the business that individuals possess that are no longer current or relevant within the organisation or, more importantly, the marketplace. This process identifies such skills and offers employees the opportunity to upskill and learn new competencies. Ultimately, if there are no further training opportunities, then this process could also enable the restructuring and flattening of the organisation, which may lead to redundancies or the buying in of new skills and training (Lowe et al., 1996).

According to Beardwell (2004), it is suggested that, in order for HRM to create a sustainable competitive advantage, it must provide the following: value in terms of increasing efficiency, promoting customer selection and retention, as well as exceeding their expectations; rarity of the characteristics which are unique to the organisation and which may lead to distinctive performance through positive reinforcement and sustained motivation to succeed; inimitability which will ensure that factors that directly relate to the competencies of the workforce cannot be replicated by the competitor; and organisation of the Human Resource to ensure that all facets are integral towards the business objective and work in a united partnership, thus complementing each other.

2.2.6 The Best Practice Model

This model is often associated with the earlier influences of Human Resource Management founded in the USA. It is also referred to as ‘universalism’ or the ‘high commitment’ model. The model is based around the theory of selecting best HRM practices within an
organisation and modelling these within the company as a whole. It suggests that, by following this process, this will lead to ‘improved attitudes and behaviour, lower level of absenteeism and turnover and higher levels of skills leading to enhanced quality and efficiency and improved productivity’ (Marchington, Wilkinson, 2002). The main objective of such a model is to ensure that employee commitment is gained through this process, which will enhance the working environment and lead to an engaged workforce. However, there are follies within this approach, such as who and what determines an HRM best practice? How effective can such a model be if operating across different functions of the organisation?

2.2.7 Processual Approach

This approach has some elements that also relate to strategy, but this strategy is not in terms of direction or policy-making in terms of some HRM topics such as recruitment and selection, training and development, or human resource planning. Instead, it aims to manage the reality of these policies, the realised strategy (Gill, Meyer, 2011). In specific terms, the processual approach examines the results of the manager’s and employee’s actions on the policies already established and how well these have been translated in practice through the organisation. It could be said that this approach aims to test the validity of the HRM policy. These policies can vary dramatically from their central distribution to specific rollout at a local level, which can appear as both positive and negative (Tansley, Watson, 2002). On the one hand, the alterations in policy from the central stream can be used as a best practice benchmark to share amongst other sites throughout the business (Huang, 2001). In opposition to this thought, there is also the negative effect which can, in some cases, involve a manager influencing the policy for their own gain, such as during the recruitment and selection process. Indeed, the recruitment and selection process would normally be a prescriptive criterion for the applicant to follow; however, with this approach, the applicant may also have some influence over the job design itself (Stephens, 2001). This in itself leads to concerns, as much time may be spent with potential employees who may not even get the job, amounting to increasing costs for the organisation. This approach emphasises the role of the employee and their involvement in the realisation of policy making and strategy. This strategy also has many criticisms, mainly those in terms of strategy, such as Purcell. He claimed that this approach was much
more hands-on and the ‘doing’, with less focus on a visionary outlook. Legge (1995) also criticised this approach as it appears to be reactive as opposed to proactive.

2.2.8 The significance of Strategic Human Resource Management (criticisms?)

In previous discussions within this section, it is clearly noted that the term HRM suffers from a lack of clarification – or, indeed, over-clarification in individual terms within specific academic groups. Based on these earlier discussions, it is imperative to conclude the discussions around Strategic HRM with some clarity. We have now discussed and presented the key strategic HRM models within the field, yet a question still remains: What does adding an additional adjective to the term HRM mean based on these key models (Boxall, Purcell, 2000)?

In terms of authors within this field, the addition of the term strategic means that it is a critical component that is key to organisational effectiveness (Dyer, 1984). However, there are always strategic choices linked with employee processes within an organisation and these are connected with the performance of the company as a whole (Purcell, Ahlstrand, 1994). According to Boxall and Steeneveld (1999), these choices can be spilt into two groupings: they play an integral role in the organisation’s performance, or they construct the critical role in integrating differences within the organisation, which will ultimately enhance the performance of the company. Subsequently, these choices are underpinned by the strategic HRM models as discussed above. So, what are the criticisms of the best fit and best practice model (Drucker, 2003)?

The best fit model, as discussed previously within this section, sees ‘external fit’ as defined by the organisation’s competitive strategy (Schuler, Jackson, 1987). However, there are criticisms that HRM practices are largely driven by the need for competitive strategy within this approach to strategic HRM (Maxwell, 2008). First, this model lacks a focus on the need to align the need of the employee with that of the organisation, or conforms to the ‘social norms’ and legislative practice as part of the process (Boxall, 1996; Lees, 1997). There is the opinion here that the employer has the power of bargaining. Yet, at a base level there must also be an appreciation for the needs of the individual employee so that their skills can be naturally freed to support organisational success (Coff, 1997).
Another criticism of this model is the lack of clarity in the definition of the term ‘competitive strategy’ (Miller, 1992). It is understood that this term is often classed as multidimensional. Yet, the perception that HRM policies may be founded on a misleading term has a negative outlook on this model as a concept for strategic HRM. Lastly, the best fit model, according to Boxall (1992), should pay particular attention to the ‘human dimension’ of environmental changes that may occur with the external or internal environment, and it is suggested that the best fit model precludes this as an initial starting process. Yet, Taggar et al. (2008) suggest that this analysis should take place as a simultaneous routine flexible operation. As indicated by Wright and Snell (1998), HRM should benefit the competitive advantage by recruiting, motivating and retaining the best employees for the job with the most superior skills within the organisation’s sector, which can sustain and compete within the environment. However, when we discuss environment within the context of this study, what exactly do we mean? So far within this chapter, we have analysed the various forms of HRM, yet there is a key concept which we have not yet addressed, namely International Human Resource Management, as well as the question significant to this study: Does International Human Resource Management exist or is it a tailored approach of the models discussed?

2.3 International Human Resource Management

2.3.1 An Introduction

International Human Resource Management is concerned with the management of human resources in the different national contexts in which they operate. The Multinational Corporation (MNC) has a multitude of factors that influence HRM, such as institutional issues, cultural differences and legislative practices (Harzing, 2001). The differences clearly affect the processes of people management, which can be accepted within different nations and regions globally. International HRM has come to the forefront of literature reviews and academic debate due to the velocity that multinationals have developed in the last twenty years (Perkins, 2003). One of the effects of growth within such a dominant giant force such as the multinational is that which is key to all success, and which lies at the heart of the business, namely the people (Takeda, 2003). The management of people from such varying
cultures and backgrounds, all of whom are gelled together in these multinationals, are considered the essential glue for organisational success.

The challenge here is whether the organisation can successfully manage these cross-boundary differences whilst agreeing HR policies and practice, which are coherent throughout the company (Monks, Scullion, 2005). There is also the element that these HR practices must be sensitive to local factors and critical aspects of difference (Brewster et al. 2008). There is also the consideration of exploiting a workforce across borders as it may be more cost-effective to do so. This cross-diversity proceeds to other people management issues which, in the parent country, may not exist, thus leading to a complex and challenging approach to HRM on an international scale (Scroggins, 2003). Other issues are concerned with productivity of this spectrum of demographics, performance of project managers or expatriate employees and how the effectiveness of such a complex system can lead to competitive advantage (Ozbilgin, 2005).

Multinational corporations are often seen as economically dominant within the global market. Brewster (2006) highlights that ‘the world’s 1000 largest multinational companies produce 80% of the world’s industrial output. Around 60% of international trade involves transactions between two related parts of multinationals.’ The concern here is that it is no longer crucial where the economic value lies as much trade is now facilitated through technology, such as email and the Internet; this makes it more difficult to locate the origin as employees pass initiatives and projects through sites via the Internet. However, there are few stateless-owned MNCs which operate freely across national boundaries and work within the global economic rules (Ferner, Quintanilla, 1998). It is said that the majority of multinationals continue to have their key controls within the parent home country, such as assets, ownership of their employee base and sales (Edwards et al. 2005). Harris (2004) states that the marketplace for multinational organisations has changed from the traditional foundation of the US to a more accessible route for other countries and nations. Currently, there are some substantial international organisations that do not operate from the USA; instead, they operate in ‘distinct national business systems’ which incorporate their own methods of HRM practice and corporate governance (Morley, Collings, 2004). These predominantly include US-global firms, European-global firms and Japanese-global firms.
However, there is a key point of examination based on this discussion: What influences these practices and what makes them different between countries and organisations?

### 2.3.2 Influences on IHRM

To examine some of these issues in greater detail, the next section will approach each concern and take a more focused look at the issue. IHRM displays a greater emphasis on the management of diversity as it embodies a varied demographic makeup compared to that on a national level (Albrecht, Luthans, 2003). In addition, there are clearly issues of managing such a multicultural workforce, as the shift from homogenous societies to a heterogeneous employment world has led to other considerations such as the increasing importance of ethnicity (Rowley, Bhopal, 2005). The role of the state has also changed due to the influence of globalisation. As such, it could be said that globalisation has led to the end of the nation state in terms of managing global capital, yet the state still exists as a socio-cultural space as human behaviour cannot be explained in relative terms of the ‘economic man’ (Goh Ben Lang, 2002). Human beings are indeed socio-cultural beings and not homogenous creatures and, as such, the state offers conflicts of control within this realm. Ethnicity is defined as ‘people or nation possessing some degree of coherence and solidarity... who are at least latently, aware of having common origin and interests’ (Cashmere, 1996). It is also presumed that ethnicity is formed around language, religion and custom and these factors in themselves lead to an opportunity for innumerable divisions. This theory does differ from the implications of race, which is namely the biological differences between ‘racial’ groups. This leads to two problematic scenarios of superiority and inferiority within the group.

### 2.3.3 International Human Resource Management Models

**Traditional approaches:**

HRM is predominantly a Westernised approach to the management of people, process and practice in order to achieve organisational success within the marketplace and, moreover, on the world stage (Peretiatko, 2008). This has also been led by the vast number of academic publications on this subject, which have been ultimately based in the West (Swan,
However, according to Jansenn (2001), there are four approaches to international HRM:

1. The ‘exportive approach’ whereby human resource best practices are exported from another country.
2. If the host country has a best practice of HRM that appears to be more efficient, then this process will be adopted as the ‘adaptive approach’.
3. When a number of practices are adopted from various countries, then this is known as the ‘integrative approach’.
4. New HRM practices may be formulated through consolidating and recognising the individual cultures; this is termed as the ‘synergistic approach’ to Human Resource Management.

These policy and practice decisions are used and adopted in a variety of methods and combinations within international organisations. However, Clark et al. (2000) have suggested that the first two are dominant over the latter two practices. This is because the exportive approach and adaptive approach both require a more polycentric knowledge.

Another key theory within this field is the theoretical approach of Perlmutter and Heenan (1979). They denoted that there are four main approaches towards the field of internationalisation in terms of how multinational corporations manage their employee base in line with their subsidiaries:

**Ethnocentric;** this approach establishes that the MNC operates predominantly from the parent country, as key management and personnel are located within the parent country headquarters. The subsidiaries have little autonomy as strategic decisions are made at headquarters.

**Polycentric;** this is where the MNC treats the subsidiary as having a ‘distinct national entity’ with some control over their decision-making ability. These subsidiaries are usually managed by the host country locals or nationals who are rarely promoted to headquarters in the parent country.

**Regiocentric;** this reflects the geographic approach of the multinational. Here, personnel may move outside of their parent countries, but normally within a set geographic area such
as Europe, for example. Managers within these regions are not promoted to head office but hold a greater autonomy within their field.

**Geocentric:** the MNC approaches its operation robustly, whereby nationality is not considered and worldwide success and ability is key for all. There is recognition here for the unique contributions made by each sector of the business. The staffing and managerial positions are available to any key person who demonstrates the skill and capability to perform at a high level; there are also no limits as to where they live and work in this respect.

*The Adler and Ghadar Model (1990)*

In comparison to the work of Perlmutter and Heenan, there are further developments by authors such as Adler and Ghadar (1990) who professed that there are various stages to the development of an international organisation. The stages that they identified are *domestic, international, multinational and global.*

If we examine these four stages further, we see there are implications as suggested by Adler and Ghadar (1990) for the cultural background, as they may differ from one phase to the other. The first stage, *domestic,* is concerned with the focus on the home market and exports from the home market outwards. At this phase, there is no real cultural impact as the management of the company acts from an ethnocentric perspective; there is also no immediate push for considerations of foreign cultures, as this performs predominantly from the home market. It can also be said that this approach is somewhat arrogant, permitting other foreigners to buy ‘our product’ but not becoming influenced by the culture.

The second phase, *international,* has a focus on the transfer of learning and local responsiveness (Scullion, 2005). This stage is much different to the first domestic stage, as cultural differences of the foreign markets play a greater part in securing external relationships within the international marketplace. At this stage the production, marketing and manufacturing of the product is focused on the key market in terms of style, product and preference to ensure that it is successful within this segment of the market. This approach is from the polycentric aspect, and it is suggested by Scullion (2005) that
production is often moved to the relevant country to facilitate the influences of the marketplace.

The third phase, *multinational*, is focused on the product being globalised to ensure that prices can be kept to a minimum as a form of competitive advantage (Chen, 2008). Price is a key issue here and, whereas the cultural influences play a huge part of the process for the international phase price, lowering costs is key to production within this phase, ensuring that price competition is maintained amongst the global players. There is some influence from an internal perspective of global diversity (Scott et al., 2011).

The final stage is *global* which is in addition to price and cost advantage on the world markets. Another important component is quality at this stage, as it becomes a key influence. This is where the product must be adapted to individual market tastes, styles, designs and specific niche markets in order to be successful. Here, cultural sensitivity is imperative, both externally and internally. Adler and Ghadar (1990) continue with their theory and move on from the initial four phases of internalisation and market/environment and cultural influences to debate the relevant skills that may be required for the managers at each of these stages and the links between Human Resource Management.

2.3.4  The Two Logics of Evans and Lorange

Another key theory within thesis field is that of Evans and Lorange (1989), who ask the question: ‘*How can a corporation operating in different product markets and diverse socio-cultural environments effectively establish human resource policies?*’ Using this initial quote as a basis for a research question, the two authors examine further and initiate two logics for developing Human Resource Management policy on an international scale: *Product-market logic* and *Sociocultural logic*.

**Product-market logic**

According to Evans and Lorange, the different phases of the product life-cycle require a very different type of manager. For example, ‘cost-conscious’ management will be appropriate at the maturity stage of the life-cycle, yet not at the ‘emergent’ stage. Key skills such as entrepreneurial skills may be crucial at the emerging business stage, but would not be of benefit at the maturity stage. This would also assume that other attributes are essential in
the consideration of this model, such as recruitment and selection, performance appraisal and reward and incentive and compensation, as these must also differ at each stage of the life-cycle (Scullion, Paauwe, 2005). The authors also assume that there is a variance in product-market combinations, which would form part of a specific criteria for an MNC; yet, given this knowledge and the varying stages to apply HRM practice to each stage of the life-cycle, it could be said that this approach would be a very complex approach to HRM indeed (Doz, 2004). In addition to this, the two logics also incorporated a proposed list of duties to suggest that managers would be sectioned into different teams such as ‘corporate’, ‘divisional’ and ‘business unit’ levels.

**Socio-cultural logic**

The second logic is the sociocultural logic which assumes that, when an organisation operates in various geographic locations, cultures and regions in terms of their business units, they take staff from differing cultural backgrounds and place them in another part of the business (Minbaeva, 2005). This does, of course, lead to a varying workforce but also stimulates differences in terms of culture, employment law, education systems and other legal aspects. Clearly, this would lead to an extreme cultural diversity (Dowling et al. 2008).

Evans and Lorange devised two strategies for managing such a cultural diversity. The first, the global approach, coincides with the work of Perlmutter ethnocentrism and geocentricism, whereby the parent organisation’s culture dominates so that HRM practices remain standardised as well as central (Riley, Scott, Mangematin, 2012). Within this brief, HRM policies remain uniform and one approach for all, particularly in terms of recruitment and selection and development and promotion. The second strategy, the polycentric approach, is whereby the responsibility for HRM practice is decentralised and often sits with the subsidiaries. There may be some guidelines directed from the central unit, but generally the subsidiary sites are free to interpret HRM in a way that fits or suits their needs regardless of country or geographic location (Baliji, 2011). In addition, adaptation to the local culture runs paramount and the decentralised approach gives the subsidiaries even more scope and potential to take advantage of the market in this way. There are concerns with this approach, as it is not as liberal in terms of staff development and movement around the business; as the subsidiaries become more influenced by local cultures, there is
less scope for development of employees who wish to geographically move within the organisation (Moore, 2007).

2.3.5 DeCieri and Dowling Model (1999)
This model has been developed with a perspective which focuses on the international concerns of the multinational with specific concern for the HRM practices, which influence the strategic activities. This model is constructed using four main component elements and has a focus on strategic international HRM. The components are constructed from exogenous factors, endogenous factors, strategic HRM and MNE concerns and goals. Within the exogenous sector, this is concerned primarily with the importance of inter-organisational relationships and the benefits that such can have on trade. This has also been an advantage of the EU as the reduction and depletion of trade barriers have improved interorganisational relationships and improved the integration of national markets throughout the region. The endogenous factors include the structure of the multinational, entry modes and strategic influence which, in turn, link to the strategic HRM policies and practices. It is believed through this model that the exogenous factors have a direct influence on the endogenous factors, SHRM factors as well as the multinational goals and concerns. The four elements operate in an integral manner, influencing each other to provide an efficient operation. However, one notable aspect of this model is the effect of strategic HRM on the organisational strategy, as it is this element of HRM which is to act as the enabler to achieve the company’s goals and objectives (Pauuwwe, Richardson, 1997).

In addition, Bartlett and Ghoshal (1989) highlight the approach to IHRM as a continuum with multidomestic at one end, which phases through to the transnational integration and then onto the transnational solution. Arguably, such a continuum does have similarities to the geocentric approach, as described by Ferner (1994). The transnational company is also relative to the two logics discussed previously by Evans and Lorange.

2.3.6 Criticisms of IHRM?
There are also arguments which propose that Human Resource practices are closely linked to either an organisational or product life cycle. However, within all the models discussed, it appears that the key to a multinational operational success is through offering flexible
working processes. It also appears paramount that the HRM practices must facilitate the needs of the business to enable the change processes to excel and respond efficiently to demands (Juhdi et al. 2013). Another consideration is whether these more traditional approaches are still relevant in today’s climate, as many new businesses are established with foresight and do not necessarily need to move through each stage; hence, it is worth noting that, although these traditionalist views are key to understanding the basics of IHRM, they may now act as guidelines as opposed to key determinants of how HRM practices are moulded to support the current multinational operation.

The work of Taylor et al. (1996) notably addresses the field of IHRM; however, this view is mainly confined to the position of IHRM as simply a contribution to how the human resource is managed within the multinational organisation and there is little discussion as to the greater concept of the international field. Authors such as Taylor identify a specific system for managing people within the framework of the multinational in terms of distinct activities, processes and people management functions, which are aimed to attract, develop and sustain the working human resource of the MNC. They also cumulate the various HRM systems adopted between the parent and host so that they work in unison to coordinate and control all the people management processes, with the root of the company acting as the dominant element, which is the parent.

In comparison, authors such as Schuler, Tarique and Dowling (2007) define IHRM models in terms of an outcome. Here, it is argued that the foundation for IHRM lies with one definitive objective for the multinational; that is, to gain a competitive advantage through the management of its people and resources on a global scale. This model demonstrates a clear driver towards the outcome of competitive advantage and success for the organisation on a global scale. However, what this model tends to neglect is that the key to success for an MNC can be defined as ‘competitive, efficient throughout the world; locally responsive, flexible and adaptable within the shortest of time periods; and capable of transferring knowledge and learning across globally dispersed units’ (Shen, Edwards, 2006). There is also another major consideration here: How does HRM manifest in a developing country context and how does this differ from the IHRM models already examined within this chapter?
2.4 HRM in developing countries

Whilst this chapter has discussed some of the key attributes to the development and transformation of HRM, as well as the increase in interest in international HRM, there are some notable gaps that this study aims to pursue in terms of research within this field. Research findings in recent years, as denoted by authors such as Brewster et al. (2008), focus on a single country or examine issues within a Westernised country, which are predominantly ‘advanced industrialised societies’ (Budhwar, Debrah, 2001). Therefore, it is a critical issue within this study to focus on comparative HRM research in a developing country. The question now is what constitutes a developing country in terms of this study?

The term ‘developing countries’ is widely used in academia and in practice and, to some extent, has become a generic term, but for what exactly? A developing country is one which does not follow the structure of an advanced industrialised society. Some authors have used other terms to describe a country falling into this category, such as ‘less developed’, ‘newly industrialised’, ‘third world’, ‘emerging nations’, ‘emerging markets’ and ‘transitional economies’ (Kiggundu, 1989; Warner, 2000; Austin, 1990). For the purpose of this study, the term ‘developing country’ will signify a country which is in the early growth stages of economic development, and which may either be in the process of industrialisation or is non-industrialised (Napier, Vu, 1998). However, even with this term now defined within the context of this study, there are clearly still differences and variables within this term as all developing countries are in various stages of economic growth (Debrah, 2001).

There is a gap in the literature written within this subject area partially due to the changing nature of the developing country, but also due to the lack of researchable subjects which could be examined, as many developing countries offer small companies with small workforces and low wage employment sectors (Kanungo, 1995). That said, the foundation of this research will lie around the influence of Foreign Direct Investment, which has led to over 53,000 MNCs operating around the world with an estimated 300,000 affiliates based in developing countries. With this in mind, there is clearly the opportunity to research management practices in the developing country. In addition, a notable statistic of interest to any researcher within this field is the fact that the majority of the world’s population live in developing countries. As demonstrated in Figure 2.4, developing countries also perform some key functions which emphasise the extent to which developed and developing
countries have become reliant on each other (Austin, 1990; Kanungo, 2000; Napier and Vu, 1998).

1. Significant buyers.
2. Important suppliers of different resources (both natural and human) to industrialised nations.
3. Competitors to developed countries with lower labour costs.
4. Strategic regional centres for expansion of MNCs.
5. Production sites for MNCs.
6. Capital users, i.e. from private creditors such as international banks, FDI and foreign official government assistance.

Figure 2.4 Key Functions

Although it can be seen that there is correlation and dependence between the developed and developing countries, there are also concerns here for the transferral of HRM practices (West, 2013). Within the Westernised society, many businesses operate with state of the art techniques and approaches to people management, yet it cannot be an expectation that these practices can be merely adopted by the developing country. Considerations must be given to the unique configurations of varying cultural and institutional factors which exist within the developing country (Mendona, 2000). There is the question here of how HRM practices and policies are relevant for developing countries? This is of paramount interest within this study, particularly in examining what key elements determine HRM practice and policy in developing countries.

2.4.1 A Framework for HRM in a developing country

Human Resource Management has been defined broadly speaking in the earlier discussion within this chapter alongside the development of the later formulated International Human Resource Management. However, as the literature within these sections suggests, the concept of HRM is relatively new within the Westernised society. So, on what level does it exist within a society that is still being established? It has been discussed that several features of different HRM models can exist within the same organisation, which is largely
dependent on culture and the institution, as well as the distinct nature of the labour market (Osterman, 1994). As previously discussed, HRM is concerned with the management of all employment relationships within an organisation, including all levels of the hierarchy. With this in mind, Budhwar et al. (2001) devised a framework for assessing cross-national HRM.

HRM policies can be divided into three main categories according to Budhwar and Sparrow (2002) which may act as a framework for examining cross-national HRM practices. The three categories are defined as National Factors, Contingent Variables, and Organisational Strategies.

National Factors; These can be identified as national institutions, commercial sectors and vibrant business environments which are influenced by a national culture.

Contingent Variables; These include age, size, nature, ownership and life-cycle of the organisation, the interest of various stakeholders, HRM practices and Trade Union presence.

Organisational Strategies; Policies related to primary HRM functions and the internal labour market (Miles, Snow, Porter, 1985).

Porter (1982) initially linked HR strategies to the three key elements of management strategy, arguing that the use of human capital could be effectively managed if the HR policy was closely linked to the strategy of management. It was argued by MacDuffie (1995) that an examination of HR strategy demonstrated it was not one particular HR policy that aligned to provide a benefit to HRM research, but rather a ‘bundle of internally consistent HR practices’ with each having its own underlying logic. This was later confirmed by the work of Porter et al. (1984), who carried out an extensive study of the motor car industry. They determined that HR strategy was no different to business strategy in the sense that both are structured around typologies and configurations to ascertain competitive advantage (Bamberger et al., 2000). Other work, such as that of Welch (1994), examines the cross-national function of HRM practices. Here, she developed a contingency theory based on an in-depth study of four comparative case studies in Australia, whereby she determines an approach which considers international HRM and the activities based around expatriation. Within this study, Welch (1994) identifies variables which determine the generic functions of specific HRM practices, such as Recruitment and Selection, Development and Training.
and Compensation and Reward, all of which are centred around repatriation of overseas employees (Budhwar, Sparrow, 2002). The variables include three elements: **Contextual** such as the host country legal system; **Firm-specific** such as type of industry, culture; **Situational** such as staff availability, localisation issues.

In addition, as noted by Rowley (1998), it is suggested that HRM in ‘context’ is largely influenced by the factors discussed here and that HRM practice will be influenced depending on the nature and emphasis placed on each of these variables. An example of this is highlighted in the work of Khatri (1999), who stated that the economic crisis in Asia Pacific in the late 1980s speeded up the process of HRM adoption; moreover, it influenced the shape of HR policies from jobs for life, seniority through elders to contract-based employment and performance-related pay schemes (Sparrow, 2002). This is also emphasised by the work of Hendry and Pettigrew (1992), who suggest that the impact of a dynamic business environment can shape and change the format and direction of emphasis on the HR function.

Based on this discussion and the influence of the aforementioned authors within this field, it can be noted that there are three areas for examination within the context of this study:

1. The influence of factors such as the culture and national institution.
2. The variables influencing HR policy and practices such as age, size and life cycles of the organisation.
3. HR policy/HR Strategy – the cost reduction, talent acquisition/improvement, defender.

The examination of the above area can help to ascertain the differences and similarities practised on the HRM function between the MNC and the host subsidiary. It can also determine reasons for such differences on a national basis.

This represents a clear framework by which to assess the extent to which HRM is embedded in a developing country. However, it is arguably a concern that HRM practice and policy within a developing country is still in the stages of infancy. There are also such contrasting variables in terms of country-specific HRM that it may even be difficult to assess similarities and differences accurately.
The dependence on each other of developed and developing countries is the successful growth of trading unions and trading blocks. According to Veersma (cited in Harzing, 1995), developing countries have been characterised as being those which demonstrate the growth of new markets such as Africa, Eastern Europe, China, India, South-East Asia and Latin America. In addition, the growth of new international business sectors such as NAFTA, the European Union and ASEAN has manifested into a more competitive environment at national and international level. As these components within the world have mapped together to form a ‘global business village’, it is becoming of increasing interest to know and understand how managers adopt their Human Resource practices within different business contexts, as an evaluation of this process will inform the development of HRM policies and theories (Budhwar, Debrah, 2001).

According to Hendry (1996), there are specific questions that comparative HRM researchers pursue and which are imperative to this study, as noted in the following figure 2.5:

1. How is HRM structured in individual countries?
2. What HRM strategies are developed by organisations?
3. Do organisations implement such strategies?
4. What are the similarities and differences between HRM systems in different countries?
5. What are the reasons for the similarities and differences?
6. What is the influence of national factors such as culture, government policy and education patterns on national patterns of HRM?
7. Is HRM converging or diverging at cross-national level?
8. To what extent are HRM models established in Western nations applicable to other parts of the world?

In order to assess the questions posed by Hendry (1996), it may be appropriate to examine the variables which influence HRM policies and practice on a national level. However, as discussed by Easterby-Smith et al. (1995), there are two forms of culture at this level that
would shape the results. The first are ‘culture-free’ factors such as age, size and nature of organisation. The second are ‘culture bound’ factors such as national culture and institutions. As noted by Jackson and Schuler (2000), it is now accepted that HRM practices are not globally unique but are ‘socially constructed’ in individual societies (Boxall, 1995). As a result of these socially constructed groups, it is now relevant to draw upon another approach within the literature that highlights the context of people comparing themselves as a group to another group, which is important within this context of the discussion.

2.5 Social Comparison theory in the Social Identity Theory

This theory, as the title suggests, is based on the perspective that people (in terms of this study, employees) compare themselves as a group with other groups and they then seek reasons why the other group may be performing better than themselves. Once this is complete, they then identify their own group with the more successful group. This could be said of the workers within a host country who perceive that the practices of the parent company are superior to their own, and so they model themselves around this comparison and then identify themselves with this group. This could also be said of the theory of Westernised HRM practice, which is often seen as a superior development tool by which to gain competitive advantage; host countries attempt to transfer or imitate these practices but are often unsuccessful in doing so (Westwood, Posner, 1997). Another reason why this transfer fails to be achieved is that clarity is required of what and who exactly are the Westernised HRM practices and, indeed, why would they be successful in another country. When the term ‘Westernised’ is used, we tend to group together the perception that Europe and possibly the USA have the same practices of managing people and that these practices are successful; however, this is generally just a perception. The Western society is comprised of an abundance of differing cultures, languages, attitudes and behaviours, not to mention the differences in the workplaces in terms of hierarchy and authority. So, what leads us to believe that there could possibly be one approach for all, namely the Western HRM approach?

As discussed by Mariappandar (2005), there is the opportunity for the host country to adopt the parent HRM practices, which may be actioned without conscious or rational choice and at the expense of the host values. The attempt to adopt such practices and, hence, sacrificing and attempting to suppress those of the existing host country is also known as
becoming ‘culturally alien’. This can clearly bring many issues to the operations of an MNC, as the attempt at imitation can have a negative impact and eradicate any conception of efficient HRM practices within the organisation. There is also the concept of ‘culturally indigenous’ whereby the subsidiary based in the host country adopts those values and practices of the host country. Again, this can have a detrimental effect as the host country company moulds their employees’ values, attitudes and beliefs towards the context of the host country and their economic, cultural and political factors, which can be hugely different from those that the employees are familiar with operating within the organisation and, more importantly, the effect of organisation success amongst other global companies. This is merely one of the challenges faced by HRM but, within this context, it is imperative to examine other challenges for HRM.

2.6 HRM Challenges in Developing Countries

Within every country, no matter its geographical location, there exist a number of idiosyncrasies which influence and shape the nature of HRM at the organisation level. The external environment has a major influence on HRM policy, as the pace and direction of the components of the external environment, as well as the developments within, can shape HRM at an organisational level (Jaegar, 1995). According to Kiggundu (1986), the emphasis of the external environment on a company can be an ‘impediment’ to the successful implementation and growth of HRM in a developing country. The forces of instability and uncertainty, which form part of the developing country demographic, can challenge the current policy-making and shape practice for the future (Austin, Kohn, 2000).

Another factor is that of internal work cultures, which can shape HRM at both micro and macro organisational policy level (Kamoche, 1993).

It is also notable that HRM within the developing country appears to be context specific in the sense that each country has a different set of variables, whereby both similarities and differences can be identified. However, a comparison may be out of the question as their national cultures fluctuate in too many ways to contrast (Khilji, cited in Budhwar and Debrah, 2013) ‘the amalgam of influences’.

As previously stated, the dominance of academic work on HRM has been within Westernised society. It is, therefore, of great interest to begin to examine some of the major
developments that are taking place in developing countries which have led to the liberalisation of economies in terms of trade, as well as the introduction of foreign investment. It is, therefore, pertinent to look beyond the Westernised world in terms of HRM and focus on other countries that have numbers of multinational organisations investing and operating within their countries. The opportunity for MNCs to invest in developing countries also leads to the prevalent issue of how HRM policies and practices are transferred from the centralised parent country to the host country and what are the implications of this transferral process (Schuler et al. 2002). There is also the interesting argument that countries are becoming more similar in terms of macro-level operations, yet at a micro-level they still have vast variances due to the diversity of culture (Long, 2013). There are also some specific aims to examine in a developing country context. For example, in the mid-1980s foreign direct investment accounted for 23 per cent (United Nations, 1998) in developing countries, yet in 1997 this had already jumped to 37 per cent and now stands at nearly 43 per cent. In addition, some of the largest populations in the world live in developing countries. This adds another dimension to the research of HRM within this context.

According to Kamoche (1995), the persistent changes in the external environment, which directly influence the organisation, dictate HRM policies and practice. The main challenge here is to examine to what extent the external factors influence the internal HRM policies and practices within an MNC in a developing country. According to Debrah and Budhwar (2001), who carried out research across 13 developing countries, there were three main models of influencing factors on HRM:

1. **Religious influences such as Hinduism, Islam, Buddhism and traditional beliefs in gods, spirits and fetishes.**
2. **Traditional cultural beliefs such as Confucianism, African traditional practices and institutions, caste in India.**
3. **Western colonial and modern influences. (Budhwar et al. 2005)**

The existing practices of Human Resource Management in countries such as Pakistan, Iran, Saudi Arabia and Algeria demonstrate dominant influences of Islam. In contrast, countries in Africa, with the exception of South Africa, which has been greatly influenced by the West,
are predominantly founded on traditional beliefs and still practise witchcraft, spirit beliefs and fetishes and gods, customs and sociocultural issues, all of which influence the formulation of HRM practice (Debrah, 2000). There is also some academic debate about not only the influence of these factors, but also their benefit to the organisation as they can create much disharmony, work against bureaucratic controls and have a negative effect on organisational performance as a whole. It can also be said that there is a difference in the way that developed and developing countries perceive their own environments in terms of socio-cultural aspects. The developed countries tend to perceive that they have a relatively positive control over their environment and the boundaries within it, yet developing countries are more likely to perceive that they have little control over their environment, and that the environment forces are seen as the proactive elements (Jaegar, 1993). Therefore, in developing countries, perceptions of a lack of external control are likely to influence their HRM practices, whilst in a developed country their HRM practices are largely influenced internally as they perceive that the potential of human beings is unlimited and that we are all highly creative (Mariappanadar, 2005).

There are also many commonalities in the way that HRM is influenced by culture and traditions. Given the geographical focus of this study, it is noted that, in the Asia Pacific region, national culture and tradition has shaped the development of HRM practices in countries such as Thailand, Singapore and Malaysia. National factors can be described as work-related values, including the external environment; however, there are other considerations such as social institutional influences, e.g. the family, socialisation and internationalisation practices prominent within these countries, specifically due to the large increase in foreign direct investment (Budhwar, 2001). In this section, the challenges facing HRM within a developing country context have been discussed. The next section will focus on the influence of globalisation on HRM.

2.7 Globalisation and HRM in the context of a Developing Country

The global environment is notably extremely competitive and, in the context of the developing country, has forced governments to shed their public enterprises or, at the least, subjected them to a rigorous review of practice to reflect the private sector (Debrah, Smith, 2000). Such an intense environment has led to the privatisation of various public enterprises within developing nations, which has allowed them to compete on the global scale.
However, this competitiveness and thrust for change on such a robust scale has also attracted the demand for these enterprises to update their technologies, become innovative in terms of product and management practice and has been a founding factor in the development of HRM in the developing country context (Gardiner, 1996).

Within the context of this study, globalisation is of paramount interest (Debrah and Budhwar, 2000) and there is clearly a need to examine further the influence of global markets (Rees, 2011). There are several key global influences that have shaped the development of HRM in developing countries, such as the global economic force and employment trends, which incidentally clearly impact developing and developed countries. Knight (1998) has stated that ‘enhancing international competitiveness in a globalised era is a national priority’. The process of globalisation brings dramatic changes to the economy, regulations and privatisation considerations, which are prevalent in leading the restructuring of developing countries that clearly influence the concept of HRM.

There is also the view that globalisation increases the flow of Foreign Direct Investment from developed countries to the developing country (Smith et al. 2000). However, it is argued by Yeung (1999) that globalisation is also now fostering the MNC from developing countries, alongside developed MNCs; they are also exhibiting considerable influence in terms of employment at all levels across a number of countries. If this is the case, then this supports the concept of this study. As it is discussed here, the MNCs introduce their own working practices, which are cascaded through the company; although this forms the hub of this thesis, it has not been a consideration until now that the multinational from a developing country also displays the same characteristics in terms of transferable HRM practices. It is suggested that this process works both ways, namely from a developing country MNC as well as the influence of the developed country MNC, that HRM policies and practices are inherent within the organisation and that they are shaped but not transformed to suit their host country. In this respect, it is worth noting that the emergence of large MNCs from developing countries are now also major players within the concept of HRM and that this process is transferable.

However, from the perspective of HRM it can be argued that, although globalisation brings with it the turbulent pressures that disrupt, change and transform HRM, the process of
globalisation can also bring about possibilities to upgrade, shape and motivate new management methods and the transformation from personnel administration to the development of HRM (Johari et al. 2013). The question now is focused specifically on the issues that outline HRM practice within the Asia Pacific Region.

2.7.1 HRM issues and trends in the Asia Pacific Region

The Asia Pacific region includes 21 economies, which are commonly known as the members of the Asia Pacific Economic Cooperation forum (APEC). The 21 members joined together in the late 1980s to promote non-discriminatory trade and investment liberalisation within the Asia Pacific region. Due to the geographic location, the area was considered extremely diverse yet housed one of the largest populations in the world, namely China. The APEC forum aimed to create regional economic integration and global advantage through the development of the people within the region. There have since been smaller groups that have become established within these areas, such as the Association of South East Nations (ASEAN), which includes the countries of Brunei, Indonesia, Thailand and Malaysia.

However, for the purpose of this study, we will be exploring the region of Malaysia. This is because, alongside its neighbouring countries, Malaysia has an interesting historical foundation based on the colonial and British Empire influences of the early 19th century. In terms of Asia Pacific, it is becoming increasingly important for their trade operations to develop locally-based multinational industries. The encouragement of this through local government incentives has been strong due to the influential power that these locally-based MNCs can bring to the region.

Malaysia is also of notable interest for the changes that it has undergone in terms of HRM practice in recent years (Siddiquee, 2010). The changes are prominent within the public sector of the country in particular, as they have undergone radical reform to develop a concept that reflects that of the private sector in many other countries, namely managing for results. This includes the restructuring, privatisation strategy, redevelopment of rules and procedures and customer focus, as well as the development of HRM policies. As far as the private sector is concerned, Malaysia desperately wants to compete on a global scale and, as a result, the Malaysian government has invested significantly to improve the
country’s infrastructure (Hong, 2000). According to Othman (2003), the largest concern in its desire to compete on such a large scale lies not necessarily with the physical infrastructure of the country, but with the development of its human resources. The author also suggested that knowledge workers of Malaysia seldom chose a career within the country itself as they would seek to work elsewhere.

It is noted by various other researchers within the field (Porter, Sachs and Warner, 2000) that Malaysia is attempting to position itself against its local competitors or neighbouring countries such as Singapore, Taiwan and Hong Kong; yet, according to these authors, the World Economic Forum places Malaysia much further behind on the table. It would suggest that Malaysia does have some concerns with its human resources in readiness to fulfil the desired state on a global scale. Moreover, the question may be, how does Malaysia intend to align the capabilities and practices of the human resources in order to achieve such demanding and challenging ambitions (Kang et al., 2014).

In order to compete on a global scale, the demands on both managers and employees alike are significant. According to Zawawi (1998), in order to compete effectively and strategically on such a scale, the organisation will require that its people at all levels are able to problem-solve, think critically, to have efficient communication processes in place and respond effectively within a team environment, producing a creative perspective to their workplace. It is, therefore, imperative that the systems of work in Malaysia can adapt in order to facilitate these changes; multinational organisations dominate within these aspects of employment and may well bring a flood of opportunities for the host country national, or simply feed from their knowledge to enhance their transition into the country.

2.7.2 The ‘local’ Multinational?

According to Horwitz (2011), wherever a business is based and wherever a business employs people, there are some psychological understandings that exist in order for this company to become successful and challenging in the marketplace. The key traits are discussed as being simple people management ‘givens’, which offer the workforce a safe environment to work, a place to thrive and develop with fair and competitive remuneration packages (Ernst et al. 2011). The days have gone whereby sites were set up in other countries and a ‘home grown’ manager was sent to run the operation (Reade, 2003). In today’s climate, there is a need for
equality and fairness, so there are questions about the considerations for the local people and the local business environment. Multinationals must consider different cultures and their different perspectives of leadership, as well as working for an organisation whilst, at the same time, working across varying locations and time zones (Fu et al. 2011). Other challenges include deciding when and where to be global and when to be local, with limited ‘face time’ with employees across the organisation who demand leadership, communication and inspiration (Doz, 1986).

In order for the multinational to become a success both locally and globally, there is the need to ‘capture skills and expertise from different parts of the corporation and disseminate the benefits throughout the organisation’ (Ferner, Edwards, 1995). The strategy for HRM within the global context employs both a local and global context, while the issue faced by the MNC is to challenge and motivate employees to drive locally to exert the organisation forward globally (Bartlett, Ghoshal, 1989). According to Reade (2003), there are three variables that influence the employee on a local level whilst working towards achieving the bigger picture on a global level. The first of these is steeped in the psychological contract that an individual will work more efficiently and offer greater loyalty to the multinational if they can identify with the organisation, i.e. they will instinctively want to work at their best for the organisation. Second, the emphasis placed on supervisory support for the individual is of paramount importance for maintaining an employee’s motivation towards the organisation. Finally, Reade (2003) states that the individual’s perceived access to the hierarchy, despite nationality and location, is critical to organisational identification and, in turn, psychological bonding.

In contrast to the people-based localisation, there are also arguments within the context of localisation that consider it is dependent on the product of the MNC whether or not the company needs to localise (Ramarapu, 1999). This argument is also secured by the views of Luo (2001), who stated that localisation was considered on three elements: structure, environment and organisation. The structure can be divided into elements, such as the market competition for the product and demand for the product. The environment would include a consideration of local business practice and culture, and how this could be adopted into the organisation. Lastly, the organisation element would include consideration of market penetration of the product, experience of the MNC within the host country, and
the understanding or ability to penetrate the local network. In addition, the local government policies were favourable to the MNC for localisation (Petison, Johri, 2008).

2.7.3 Issues faced by the multinational

Clearly, there are a number of issues that face International Human Resource Management by the multinational due to the cross-cultural nature of the function and cross-boundaries. Coupled with these are the challenges of where HRM starts and finishes and the demarcation of HRM, universal issues of working towards a cohesive HRM perspective across the organisation, and professionalism and ethical considerations. As companies become more international, there is the ever demanding issue of how the human resource can and will be managed effectively through a difference of geographical sites, but also across cultures that lead to the importance and complexity of HRM (Monks et al. 2002). International HRM is also largely driven by the organisation’s approach to both international strategy and development (Doherty et al. 2007). Another key issue here is the supply of the human resource in terms of the management hierarchy and whether this supply can be consistent and maintained to ensure that global success is not threatened by an inadequate supply of international managers (Scullion, 1997).

2.7.4 Approaches to MNC issues

There a number of issues facing the multinational in terms of transferring practices and policies between the parent and host subsidiary. Yet, Ferner et al. (2012) describe this as a neoinstitutionalist approach. The authors discuss this process as part of the approach of cross-institutional practice transfer. This is described as the parent and host subsidiary operating what is known as ‘institutional duality’, whereby the MNC and the host subsidiary work by facing differing pressures from their own isomorphic environments. According to the work of Kostava (2008), the greater the institutional distance that has been described as ‘the divergence between the parent and the host subsidiary’ between the MNC and the host subsidiary, the more difficult it will be for the company in terms of transferring policy and practice from the parent to the host, specifically internalising the practices and influencing the cognitive mind-sets of individuals within the organisation. It is also suggested by Lawrence and Suddaby (2006) that transfer has several dimensions, such as the degree of
adaptation by the organisation or subsidiary in terms of internalisation, functionality and directionality. The first of these concepts, internalisation, addresses the issue that transfer is not a complete process in itself and that there may well be varying degrees of transfer; in addition, this transferral process may become adapted, adjusted or made more flexible to suit the needs of the receptor – or, in this case, the business environment it is to be landed in. Indeed, the transfer process may be adapted to suit another framework or be added to meet fit requirements of the host environment, or even diluted to adjust to a different cultural perspective. The functionality concept addresses whether the transferred practice still suits the requirements of the business needs within the host environment. Lastly, directionality addresses that the transfer process does not merely conclude that this process occurs between the parent and subsidiary only, but it also occurs between other subsidiaries and from subsidiaries to head office or the central headquarters. It is noted throughout this work that there is another enabler within the transfer of practice within the MNC, namely power.

2.7.5 The influence of power and the Multinational.

It is worth noting that, throughout this study, various concepts, models and theories have been discussed, yet a driving force behind some of these processes is still to be addressed. This is the issue of power within the multinational and its influence as an enabler to transfer practice throughout the organisation. According to Edwards Belanger (2009), the MNC holds a vast and substantive power, but this can be divided as there is the external power whereby the MNC is classed as a ‘powerful actor’ which drives the force of globalisation. There is also the distribution of power within the MNC itself which can be dispersed between the functions, various groups and operating units within the organisation. In addition to these two variables of power, there is the relationship between the headquarters within the MNC and the subsidiaries, where a negotiation of power is realised to formulate a relationship as an actor within the realm of practice transfer between the two functions that exist within the organisation itself (Ferner et al. 2006). The authors further develop these theories in a later publication (Ferner et al., 2011) that denotes the development of three dimensions of power within the MNC, which has been based on the earlier works of Luke (1975). The first of these dimensions in relation to the MNC describes the process within which decisions are made within the organisation and the employment
of resources to these decisions, to ensure that they are realised. The second of the dimensions addresses the concept of conflict around the ‘non-decisions’ that may shape and adjust the agenda to suit a particular party. This may also include the exclusion and inclusion of information to determine a specific decision or viewpoint, as well as influence the process of decision making to shape results. The last of the dimensions proposed focuses on the exertion of power within the MNC and the need to dominate and influence the decision so that the dominant party moulds the result to suit their wants.

The concept of power in understanding cross-organisational transfer of practices is important, as the component of power is considered crucial within a multinational organisation, particularly as the process of transferring practices across the institution lays bare the processes and determinants behind the practices (Lo et al., 2014). In other words, on a local basis a practice may be considered relevant and there is little to challenge a process, such as the performance review; for example, it is not the norm, but unless there is any rationale to suggest that this process does not enhance performance then it will continue to exist. However, in the process of transferring practices, such practices are laid bare for all to see; there is the opportunity to challenge and question such practices in favour of an improved, current or more efficient process through the ‘collision of two sets of institutional rationalities’ (Ferner et al. 2011). This process of ‘visible’ transferral of practice across the institution is also considered to emphasise ‘social equity, solidarity and fairness’ according to Liberman and Torbiorn (2000).

Finally, there is another dimension to consider when discussing the actors within the multinational and the role that they play; the capabilities of such power actors and the need of the organisation and its interests. When considering the transfer of practice between a headquarters and a subsidiary, there are certain characteristics in terms of power which may exist. For example, the HQ may act as the dominant force, assuming that their policies are more efficient and more advanced; after all, this is considered to be the heart of the organisation. However, there is also the notion of the power of the subsidiary, that their role is to resist such changes to process, develop their own normative frameworks and act in a local environment, with local practices developed to support their local needs in terms of the business and its people. Yet, who is acting in the best interests of the organisation and how is the power conflict diluted? Both functions operate to enhance and secure one goal,
the success and performance of the multinational as an operation in its entirety. It is apparent through this discussion that specific interests play a huge role in determining how each function’s capability through their power influences the transferral of practice.

2.7.6 International careers and expatriates
Multinational companies often send expatriate workers abroad with one aim in mind, which is to transfer knowledge and ensure that the set-up of the new subsidiary is successful based on the expatriate’s existing experience and knowledge within the field. The motivation for sending expatriates is also to enhance the foreign direct investments and, ultimately, the subsidiary performance (Wang et al. 2009). However, this process faces mounting pressures from the parent company to ensure success, competition and long-term longevity of the operation. Survival in terms of the new subsidiary is critical, yet the barriers of an undeveloped structure and limited institutional knowledge can prevent embedding knowledge that has been rooted at its origin with the parent company (Bercerra, 2003). The aim of the MNC in such a foreign environment is to overcome such concerns with ‘foreignness’ and strive to succeed and gain a competitive advantage. Due to the differing nature of the host country, it is often a necessity that the knowledge is adapted prior to being transferred; however, as knowledge is tacit, it is deeply rooted within the minds and experiences of individuals and cannot be taught or decoded (Kogut, Zander, 1992). This also creates concerns for transferral as it cannot be easily deduced and put into practice. It requires people and human resource practices to transfer it efficiently (Jensen et al. 2004). It is also defined by the researchers that the transfer of knowledge across borders can be ‘sticky’, while it is an easier process to transfer in a domestic format. Teece (1977) also identified some key constraints with the transferral process, namely resource costs, absorption costs, fee of transferee and those notable dimensions of international adaptation.

This view has led to the importance of the expatriate and their role in embedding knowledge in the subsidiary to ensure success for the performance of the subsidiary organisation as a whole. However, with such importance placed on the expatriate, it is imperative that they possess the appropriate skills and competencies to perform such an
important role within the emerging business. Barney (2002) goes on further to examine the point that it is not by chance that an expatriate is chosen for such a specific role, but that expatriates possess heterogeneous characteristics and that the assignment of varying types of expatriate can and will affect the performance of the foreign direct investment. It is therefore concluded that expatriates are specifically selected alongside a careful and considered process in line with the objectives of the operation. It has also been suggested that the number of expatriates selected is not of great significance, whereas the quality of their knowledge, which has been documented through the history of the company and culture and which are not easily imitated, are of paramount significance (Minbaeva et al. 2003).

Another view within this rich literature base explores the role of the expatriate and how they specifically help the facilitation of knowledge across borders. As suggested in the work of Almeida (2002), consideration is given to how the expatriate embeds new knowledge and the extent to which they use organisational processes to do so, as well as the micro factors within the organisation that may promote this facilitation process. It has been documented that knowledge is ‘grafted’ through social interaction within the organisation and the exchange processes selected to ensure that this transfer of knowledge is useful to the overseas operations (Subramaniam et al. 2002).

It is also noted by authors such as Borman et al. (1991) that it is essential that the expatriates offer other skills in addition to technological skills, such as the ability and motivation to perform at a consistently high level. This is suggested because the work of an expatriate in embedding new knowledge to local employees, information that has been ‘hard-earned’ on their part, can be extremely demanding (Wong, Law, 1999). There is also the implication of adapting to the local staffing and localisation within the host country. There is substantive data collated by a number of researchers, such as Lane et al. (2006), that state that the failure of an expatriate to adapt to the local and new environment can be catastrophic in terms of knowledge transfer and embedding those essential skills from the parent company into the host subsidiary. When discussing the term ‘catastrophic’, in this context it means that this whole process can be extremely vulnerable and the end product can result in the FDI performance being unproductive, which will create poor coverage on the global corporate scene for the company as a unit, not to mention the disastrous
complications for a failed subsidiary in a foreign market. Therefore, the business of recruiting and assigning expatriates is an extremely important process that requires focus and skill to ensure the right people are indeed recruited for the right job.

2.7.7 Leading International Assignment

According to Gunderson et al. (2012), the consideration of the ‘person’ and skills they must possess to ensure that an international assignment is successful is focused predominantly not only on the skills they possess, such as experience or technical know-how, but on their leadership skills, or those of their manager, to survive and become successful individually, as a team and ultimately as an organisation. This study has been motivated by the necessity to understand further the contextual influences on leadership, as managers and employees outperforming their roles locally within an organisation may be requested to further their skills and progress to an international level; yet, the removal of one or more of the factors that support a manager’s performance such as family, social life, salary, or familiar networks, may cause disparity and lead to failure within an international role (Liden, Antonakis, 2009). It is also suggested within this study that there is immense pressure on the individual to succeed within the international role in terms of work adjustment and job satisfaction. The elements that act as barriers to this transfer process can include adaptation to new colleagues or a new position, yet with corresponding tasks and responsibilities, communication and acceptance from the host nationals. These factors can put tremendous stress upon an individual and, as stated by Collings, Scullion and Morley (2007), can be hugely underestimated by the MNC. It is supported by Black (1998) that transformational leadership can have a positive effect on assignee work adjustment in terms of alleviating the stress of different cultural backgrounds, knowledge of job responsibilities and social interaction amongst new groups of employees; these employees are bound together through international assignment through the transformational leader, who provides openness, support and cooperation with not just the internal assignees, but the team as a whole. The authors suggest that, within the climate of a fast-paced, dynamic, global business, there must be a positive relationship for managers working on international assignments in terms of transformational leadership. The economic climate is also succinctly portrayed as an ‘ambiguous, volatile and unpredictable work environment’. Baum et al. (2002) highlighted that trust bound within a team can help to ‘mediate’ a transformational
leadership within the context of an international assignment and that the dynamic environment of the host country can moderate this specific leadership trait. This has also been supported by Dumdum et al. (2007), who stated in their research that there was a positive relationship between transformational leadership and job satisfaction.

2.7.8 Expatriate preparation?

Within the discussion of expatriates and internal assignment, it has been debated the selection processes for such, the issues faced by the assignee and the particular concern of embedding knowledge once the expatriate has been placed. However, it is imperative at this stage to address the glaring question of what can multinational companies do to support the preparation of expatriates if, as proven in previous discussions, this work is such a minefield of explosive professional barriers?

Through the research of Littrell et al. (2006), it has been examined the extent to which preparation for expatriate despatch can be supported in terms of cross-cultural training. The authors of this research suggested that cross-cultural training can, in fact, lead to enhanced performance of expatriates through the learning of social interaction of diverse cultures. According to this group of researchers, the objective of pursuing expatriate preparation correlates with the cost implications for expatriate failures on overseas assignments. This has been accounted for in terms of poor cross-cultural training programmes and an increase in diversity in the workplace. Yet, a significant question to be asked here is how expatriate performance is to be measured. This is divisive as, according to Brislin (1999), there is no clear definition of what constitutes success and failure for an expatriate. In contrast to this view, Bennet et al. (2000) state that expatriate failure can constitute of a number of main themes such as lost opportunities of the business, delayed productivity due to settling-in periods becoming extended, adjustment differences, poor transfer of management practices and, finally, returning home before completion of the objectives of the assignment. As an immediate contradiction to these points, these failure factors could also be considered as success factors, such as an expatriate who stays the length of the assignment, has embedded new management practices, has made successful adjustment for the expatriate and family members. Clearly, the measures for expatriate success are not defined and, as stated by Littrell et al. (2006), the need to prepare expatriates is more important than ever through cross-cultural training.
However, there are a number of critics of such a process, namely Brewster (1995) and Selmer (2001), who both suggest that this form of cross-cultural training does not benefit the expatriate preparation process as the ‘goals, contents, effectiveness and process’ are limited in a contextual comparison. According to Black and Mendenhall (1990), cross-cultural training for expatriates should be led through the Social Learning Theory, as previously discussed. They state that, by experiencing learning of different cultures in the context of expatriation through direct and various-shaped learning experiences of observation, future behaviours and modelling of such behaviours, this will lead to increased learning and, ultimately, success in terms of expatriate preparation: ‘Thus, the expatriate would have the skills necessary to interact appropriately in encounters in the host country’ (Black & Mendenhall, 1990).

### 2.7.9 Social networks and expatriate performance

According to literature such as Osman Gani et al. (2008), there are correlations to be drawn with the effectiveness of suitable social networks for expatriates and their performance in the workplace. It is suggested that social networks within the realm of this study is defined by the relational ties experienced by the expatriate and linking them with family, friends, colleagues, neighbours, managers and colleagues. There are a number of issues in terms of expatriates feeling comfortable within their social network, particularly as this may be a relatively new network in comparison to that of their ‘home life’. This will require that the expatriate adjusts to the new network and, indeed, to the host culture, which will mean that they may have to adapt their behaviours to the host country culture and, in turn, their cultural norms.

It is stated by Harrison et al. (2008) that, if the expatriate can establish a ‘strong’ social network, then this will enhance their performance within the workplace and that expatriate adjustment can translate as a predictor of effective performance. It is also suggested that it is not the quantity within such a social network that acts as the catalyst towards performance enhancement, but the uniqueness and clarity of the relationships within the network itself. It is questionable whether the structure of the network is important or the
resources that cascade through the social ties. Hechanova et al. (2003) indicate that, from a Human Resource Development outlook, there are a number of clarifying factors that can support the expatriate in developing a social network and reducing stress throughout the process. These factors are linked to their role within the workplace, such as reducing role ambiguity, increasing an individual’s coping strategy and facilitating the induction into new social networks through social support.

According to Adelman (1988), there are a number of benefits that the expatriate will gain from having supportive social networks, such as information clarity and understanding, emotional support and the need to coach and counsel one another through experiences and appraisal support. This will help to define their own performance goals and indicators needed in order to share and celebrate success and clarify new goals within the international role. It would appear from this literature that the need for the expatriate to adjust effectively is paramount to any organisation, as it can be costly in terms of assignment failure and company image if this support mechanism is not reinforced effectively.

However, there is also a theoretical model designed through the works of Black, Mendenhall and Oddou (1991) which highlights three aspects of adjustment for the expatriate. The first is ‘general adjustment’, which is primarily concerned with the ability of the expatriate to adapt to the new lifestyle in terms of non-work factors such as neighbours, external friendships and community aspects of their social life. The second dimension of the model is concerned with the ‘interaction adjustment’, which focuses on the necessity to interact effectively with the host country nationals, adapting to their cultures and, if need be, language and religious barriers. The last dimension, ‘work adjustment’, is clearly defined as the need for the expatriate to associate themselves effectively with aspects of the workplace such as colleagues, mentor, subordinates, and line manager. The process of highlighting this model has raised awareness of key attributing factors which can aid the facilitation of an expatriate within a foreign domain. However, it has also opened the door to other research and work concerned with correlating a link between the social network of an expatriate and performance enhancement in the workplace.
However, before moving away from this subject, it is notable that the research of Adler (2007) raises other important factors when discussing the expatriate in terms of social networks. So far, throughout this study we have looked at many aspects relating to the expatriate, but what has not been considered is the basic notion of when an expatriate is put into a social environment within a foreign country. How do they know what is the best way in which to behave? More importantly, how do they understand what is and isn’t acceptable behaviour for the environment they are currently in? Adler (2007) succinctly examines this concept and notes that an essential part of adjustment is reducing the factor of uncertainty, which is clearly linked to social learning theory. This was discussed previously when exposing expatriates in preparation for their assignment to new cultures, behaviours through observation and direct and indirect learning of the culture (Harzing et al., 2014).

2.7.10 Social Capital Theory from an International Perspective

There is also the work of Liu (2005), who has examined the expatriate adjustment and performance through a different lens, the role of the host country national and how they can help and support the facilitation of the expatriate to the host country subsidiary. This model again uses Social Capital Theory as a foundation to examine the form of capital that exists between relationships of individuals according to Karner (2000). Social Capital Theory is conceptualised in terms of ‘social resources, contact opportunities, social structure, trust, norms and social networks’ (Liu, 2005). The return on social capital can appear in two forms, which are instrumental action and expressive action, and is located in the personal and social networks of expatriates. Instrumental action is based on the theory of adding to existing resources in terms of such factors as wealth, power, reputation and performance. In contrast, expressive action focuses on maintaining the resources and construes factors such as physical and mental health and life satisfaction. In the model designed by the work of Adler and Kwon (2002), the expressive and instrumental actions are dependent on three dimensions of opportunity, motivation and ability of the expatriate. It is depicted within this model that these three dimensions of the Social Capital Model have direct influence over the success of the expatriate in terms of performance and adjustment.
2.8 Conclusions

2.8.1 Comparison and synthesis of the HRM Models

The literature reviewed has identified the notable academic models within the field of Human Resource Management. A prominent factor throughout the discussion of these existing models has been that the majority of HRM models are embedded within the Westernised society or established economies. However, the discussion led by the illustrations of IHRM has paid particular attention to how the MNC manages their workforce on a global scale. Through this discussion, it has become apparent that a different set of socio-political factors are experienced in the context of the parent/host relationship within the multinational. With this concept in mind, it has been essential to highlight the need for alternative methods of addressing the variances of managing the human resource within the multinational. This section will address the differences noted in the literature and will identify comparisons between prominent HRM and IHRM models.

Human Resource Management has evolved as a management concept since the end of the Second World War, whereby two extreme movements were fused together with the goal of eradicating employee suffering in the workplace and inefficiencies (Wren, 1985). That said, the HRM movement was to promote people management knitted with the organisational perspective and driven with the need to enhance individual performance (Ling, 1965). Ferris et al. (1999) state that the evolving process of HRM practice has moved away from being a maintenance function and simply ‘doing business’ as a cost-based approach, but is now focused on the need to gain competitive advantage. Furthermore, it is suggested that HRM, which once was placed in control of record keeping, now takes position on the mainboard as a strategic partner alongside other key management functions such as Finance and Accounting and Marketing (Dulebohn et al. 1985).

There is much contention in terms of the theory of HRM being named as a ‘discipline’, as researchers and practitioners quest to develop a theory of HRM whilst still presiding over the need for Personnel administration, which has indeed driven a wedge between the two (Hoobler, Johnson, 2003). The argument remains that, at one time, the approach to HRM theory was problem-solving based, such as the example of the Hawthorne studies, yet in
recent years the research has become methodologically based and driven by data (Chalfonsky, 1985). This is an issue for the two groups of researcher/practitioner as, whilst the practitioner can see a use for the research, they can seldom relate the findings of such research to add value and practical solution (Butler et al., 1991). It is also argued that the taxonomy of Mahoney and Deckop (1986) is still relevant. The authors segregated the discipline of HRM into, firstly, a focus on HR policies with the view of enhancing organisational performance and, secondly, a focus on Personnel Administration, including the activities of recruitment, training and compensation. Ferris and Judge (1991) went on to build on this early taxonomy and focused on personnel as the ‘political perspective on human resource management’. Ferris also introduced the third dimension of IHRM, which aimed to focus on the international activities of HRM within the context of the multinational organisation, which will be discussed later in this chapter.

At the beginning of this chapter, the foundations of HRM were discussed in some detail, notably the Harvard Model and the variations of this model, which has been adapted and proliferated in many instances since its origin in the 1980s. However, that said, the model can be identified by the following characteristics:

- The need for HR policies to be integrated
- Obtain employee commitment to change through empowerment
- Importance of a ‘strong’ culture highlighted by shared beliefs, norms across the organisation
- Long-term labour market planning to anticipate change
- Clear contribution to achievement of corporate goals and management needs
- Flexible working practices
- Measurement of the success of change through performance management.

(Cited, Hollinshead, Leat, 1995).

This foundational model was much contested by the following work of Formbrun et al. (1984). They took a firmer approach to the theory of HRM, stating that there should be less emphasis on making employees feel ‘special’ and an ‘asset’, and more emphasis on bringing the people sector in line with the other organisational resources, such as cost-effectiveness
and optimisation, which should guide processes such as recruitment and deployment of staff throughout the business.

With this view in mind, it does appear to have some correlations with earlier models of people management, specifically the characteristics of Personnel Management. However, Mahoney and Deckop (1985) specify that there are differences between this HRM model and Personnel Management, which are outlined as follows: employment planning which is now linked in the HRM model to the business strategy, direct communication processes with employees as opposed to ‘inform’ approach; addressing employee emotions towards the company and culture; clear employment terms such as recruitment and selection policy and training, which are now focused on the individual needs; employee development from individual skills to longer-term capabilities.

There has been much debate within the literature which denotes that HRM is simply ‘wine in new bottles’ (Kalra, 2005). As a result, we have seen that there is much debate around the importance of the two models. There are also a number of important similarities between Personnel Management and Human Resource Management, as described by Legge (1988). Firstly, she claims that both models are similar, as they both consider that HR practices should be interlinked with the goals of the organisation. Secondly, she states that both have a vested interest in the line management function to secure buy-in and cascade policy and regulate best practice. Thirdly, a similarity is drawn amongst PM/HRM as both consider the importance of individual development to enhance personal satisfaction and, in turn, the drive to achieve organisational success.

However, there are also some notable differences between the two models (Dawson, 1993). The first difference is that Personnel Management is perceived as being something which is performed on the subordinates by line managers’, whereas HRM is seen as the development of the management team as a whole. Another difference is that PM is seen as additional tasks and duties to their job role, whereas HRM is an integration of tasks to achieve an overall bottom line performance, whereby line management comprises business managers motivated towards achieving an overall business strategy. Finally, the emphasis of the success of HRM is founded around the key concepts of culture, whereas Personnel Management view culture as an aspect of Organisational Development and is distanced
from the core of the business (Legge, 1988). It can be concluded, based on such discussion, that HRM forms the central hub of the business in line with strategic goals and achievements integral towards the overall business strategy. Personnel Management, however, seems to be dominated by task and operational concern, which would act as a separate entity to the rest of the business.

There is also an argument that exists not necessarily with the concept of Human Resource Management, or with another theory or model of managing people, but within the title itself. It is contested that the concept that human beings are a ‘resource’ is indeed derogatory, as Cass (1994) comments: ‘The definition of human beings merely as resources is obsolete, demeaning and out of line with our sociological evolution. There is a strong need to re-assess our definition of the people who are part of our business.’ Kalra (2005) goes on to describe that the term ‘resource’, as illustrated in its barest term, would imply that management can manipulate or control a resource and, in the case of HRM, the people. He denigrates the concept of HRM by implying that people are incapable of managing themselves within the workplace and must be coerced and act as ‘cogs in a wheel’ to achieve the organisations goals. This argument is strongly contested, while Sims (2006) maintains that the core of HRM as a concept is to ensure that people are happy within the workplace, that they can achieve the best results and that this should be carried out by assessing and understanding their employees’ needs and wants. This opposes the view that people are merely seen as a ‘resource’ within the organisation (Aghazadeh, 1999).

2.8.2 IHRM

It has been suggested within the earlier parts of this chapter that multinational organisations can achieve a competitive advantage through the specific nature of their human assets, and particularly the methods adopted to manage their people effectively, by authors such as Bartlett and Ghoshal (1991) and latterly Schuler et al. (1998). This chapter also highlights the changing role of the HR function within organisations today as there has been a need, due to the liberalisation of trade barriers as well as the promotion of global trading, to develop the HR policies to enhance organisational performance on a global level. The HR function has moved away from a traditional approach of merely being a support function to become a strategic partner, integral to the core business (Teagarden and Vonglinow, 1997). However, this change within the international forum has meant that HR
policies now act as key mechanisms to govern and enhance international operations within
the multinational sector. It is also indicative that the HR systems within the multinational
have a prominent role in shaping and directing the culture of the business through their
systems and the people that operate within them (Myloni, Harzing, Mirza, 2004). However,
Adler and Bartholomew (1992) argue that such HR systems can also act as a constraint for
the multinational in such an environment as they are limited by the complexities of national
and local diversity and disparity.

It can be said that HRM acts as an integral part of the business strategy. Perlmutter (1969)
illustrated this in terms of the multinational by sectioning the strategy into three elements
as a choice for the multinational, as discussed earlier. The three strategic choices are
described in detail as polycentric, ethnocentric and global. However, a criticism of this
typology would be that it does not consider other key elements when transferring HRM
practice within this process, such as external factors. These factors can be described as the
unique attributes of the host country and localisation of HRM policy and practice. This alone
will restrain the multinational from choosing a particular approach in terms of the
Perlmutter model. Tayeb (1998), on the other hand, argues that the multinational could
choose a local approach to suit the needs on a local basis so that, for some subsidiaries, the
best fit would be polycentric while, for others, it may be ethnocentric and even global. The
issue here is that there appears to be in the literature, as previously discussed, a motivation
to suggest an overall orientation for the MNC and their HRM practices, yet this approach
would neglect the internal differentiation of the multinational. It is suggested by Harzing et
al. (2014) that some MNC subsidiaries may follow the parent company in terms of HRM
policy; yet, within this, there may also be some differentiation to allow for local variances.
However, there is still a question which remains prevalent throughout the literature on
IHRM. This is the extent to which the subsidiary acts as a local business and becomes local
isomorphic versus the extent to which internal consistency becomes of paramount
importance.

2.8.3 Observations in the context of this study

It is necessary at this point to set into context some of the literature discussion findings that
have been identified and which will help to form the framework for this study. Throughout
this section, it has been identified that the Westernised multinational brings many positive
elements to the host developing country (Gamble, 2006), such as updated products, equipment and technology, including an advanced approach to the Human Resource Management systems and practices (Child, 1991).

However, within the context of this study it has been noted that there are restrictions for the MNC regarding the penetration of the host developing country, such as when attempting to introduce Westernised ways of working, which are often seen as inappropriate to the host culture (Ding, Goodall, Warner, 2000). The greatest challenge based around these literature discussions has also been identified as the management of local employees within the MNC structure. The MNC often attempts to adapt its own Westernised HRM practices to the local environment, deploying the expatriate population as a vehicle that has been prepared through the clear skills identification such as linguistics and an introduction to local culture (Bjorkman and Lu, 1999). As part of these Westernised methods, consultative approaches have been used to gather worker opinion and employee feedback to educate the senior management in terms of induction to the local environment; however, this is often counterproductive and fraught with issues, as many locals consider this a disrespectful process and antithetical to local norms (Gamble, 2006). Results within this process often concluded that workers were extremely positive towards the ‘imported regime’ (Ahlstrom et al. 2001). The question here is whether the MNC should implement global HRM practices or adapt to local practice? Indeed, it has been suggested that merely transferring HRM practice is futile and the processes, particularly when transferring from Westernised MNC to a developing country context, emphasise that they must be shaped in the specific context (Verburg, 1999).

There are also other considerations within the context of this study that warrant greater investigation based on the literature analysis. These include other factors that impact the transferral of HRM practice from the MNC to the host subsidiary, such as the influence of the organisational inertia, which can act as a constraint on new HRM systems (Ding et al. 2001). This is clearly evident through the disparities between the organisational structures between Westernised MNCs and those based in developing countries (Derahman et al. 2014). Westernised MNCs tend to demonstrate flatter and softer hierarchy bases in terms of their staff and management structures, whereas companies based in developing countries often have more rigid and greater demarcation (Gamble, 2006). As a result, the
transferral of HRM practice between such sites could be catastrophic if it was suggested that a clear alignment was possible. The literature within this chapter also highlights that countries with ‘strong’ HRM traditions are more susceptible to accepting HRM practice that has originated within both the parent company and the developing country (Martin and Beaumont, 1998). This would emphasise the turbulence that transferral of practice would generate, because those countries which currently have weak or non-existent HRM practices, as demonstrated in the earlier discussion about the recent development of HRM in the Asia-Pacific region, would conclude these changes as a polarisation of the workforce (Smale et al. 2007).

This chapter has indeed highlighted, through the discussion, some of the imperative issues within the process of transferring HRM practices on such a scale. These include the need to consider communication at all levels, the variation in potential work patterns and local custom, age composition of the workforce, rewards and benefits and, finally, training (Gamble, 2008). All of these elements form key demographics of the make-up that is Human Resource Management and are key to a successful transfer.

On conclusion of this chapter, after careful review of the key concepts within the field of HRM, it is worth noting one considerable gap within the literature. This gap is concerned with the investigation into the sub-groups or occupational roles that exist within organisations operating across international borders. As this chapter has concluded, there is much written within the literature that examines the influence of multinational organisations between the host and parent company, as well as the cultures and localisation of such contexts. Yet, there is a significant gap that fails to acknowledge such variances between occupational roles which exist within the organisation itself.

It has been noted within this chapter the challenges faced by the transferral of HRM, but there has been no suggestion of the influence of this on the managers operating in a multinational company setting. McGraw and Harley (2003) argue that ‘different people in different countries have different culture and conception of HRM.’ Yet, there is no consideration given to the differences within the organisational hierarchies. Additionally, Daft (2007) suggest that there are conflicts within the organisation when attempting to
standarise HRM practices across multinational companies. Again, there is no emphasis placed on the occupational roles within the organisation.

Finally, there is also the consideration of the culture as this can be seen as a hindrance to adopting new methods of managing people, as locals have ‘deep rooted mind-sets’ about their priorities and the hierarchy within their place of work. In addition, the locals may also demonstrate persistent resistance to change and defensive conforming behaviour which act as a barrier to the progression of both transferral and adoption of HRM practices. However, controversially, the research as discussed by Rosenzweig and Nohria (1999) indicates that, the longer the MNC stays in situ in the host country, the more likely it is that the local HRM practices will be softened to meet local expectation, and these are the practices which are embedded within the host subsidiary. It is at this stage that locals build a relationship of trust that is conducive with enhanced productivity and job satisfaction (Tsang, 1999). This point is of significance and worthy of further examination within this study.

In terms of local culture, it is also a worthy observation that those countries with similar cultural backgrounds, such as heritage and those formed from colonial influences, display a greater benefit to the adaptation of HRM practice in terms of the penetration of an MNC. It is also indicative to this study that similarities in backgrounds create a cohesive and harmonious working relationship and knowledge transfer forms the foundation of this process (Bate, 1997).

To conclude, the literature has highlighted three main areas worthy of further examination. First, to what extent are Westernised HRM practices facilitated in the parent/host sites? Second, can there be an alignment between the organisational structure in terms of how the managers engage with their staff between the parent and host country? Third, is there a single, uniformed approach to HRM in the case of the selected Multinational Company?
Chapter 3 Methodology

3.1 Introduction

As discussed in the first chapter of this thesis, the primary aim of this study is to examine the organisational framework of Human Resource Management within the UK and Malaysia, with a particular focus on how the parent and host company interact to shape the process and delivery of HRM policy development to meet the challenges of improving the working environment for staff. Within this chapter, the researcher will discuss the research design and methods selected to underpin the study objectives. Specifically, there will be an explanation of choice of research philosophy, the research method’s adopted description of the research setting and the evolution of HRM, ethical considerations, organisational access, design of the data collection instruments and the proposed data analysis strategies.

To begin, it is paramount that the research design is formulated as this will act as the framework to integrate important elements of the study together, such as the research questions, literature review, data analysis and results (Thietart, 2001). For this thesis, a case study method will be adopted which will comprise of three data collection methods during the fieldwork (Table 3.1). The research strategy will be explained later in this chapter.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Research Questions</th>
<th>Sources of data</th>
<th>Sample Size</th>
<th>Respondents</th>
</tr>
</thead>
</table>

Table 3-1 Research Questions and Data Collection Methods
<table>
<thead>
<tr>
<th>1. <strong>The adoption of Westernised HRM practice.</strong> To situate the case study in the context of HRM. To establish the policy and practice in terms of each country.</th>
<th>1. To examine existing policy in the UK and Malaysia and determine the influences of such HRM policies.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. To assess the demographics of the company workforce.</td>
</tr>
<tr>
<td></td>
<td>2. To examine communication systems throughout the company.</td>
</tr>
<tr>
<td></td>
<td>3. To ascertain local customs and management of HR policy</td>
</tr>
<tr>
<td></td>
<td>Interviews/Questionnaires</td>
</tr>
<tr>
<td></td>
<td>Employees and Managers working in Tesco Malaysia.</td>
</tr>
<tr>
<td></td>
<td>Annual Reports, ‘Policies for People’ HR document, The ‘Steering Wheel’ project information.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. <strong>The organisational structure.</strong> To identify company factors influencing HRM policy and practice in the transferral of HRM between UK/Malaysian operations and gain insights into their differences.</th>
<th>1. To comparatively assess the penetration of company HRM policy through the company hierarchy.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. To examine the management structure of both countries.</td>
</tr>
<tr>
<td></td>
<td>3. To assess the management systems and the process for development within both parent/host.</td>
</tr>
<tr>
<td></td>
<td>Questionnaire</td>
</tr>
<tr>
<td></td>
<td>100 Employees within the hierarchy at store and head office in UK and Malaysia.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. <strong>The hybrid approach.</strong> To investigate how HRM is perceived by managers throughout the company.</th>
<th>1. To elicit the views, attitudes and aspirations of Managers over different aspects of HRM practice and to find out the nature of their influence over changing HRM policies at a local level in the UK and Malaysia.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. To compare the visions and views of those managers in the UK to the host company in Malaysia.</td>
</tr>
<tr>
<td></td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>38 Management Expatriates in Malaysia</td>
</tr>
</tbody>
</table>

It is vital at this stage to discuss the origin of the research questions, which will form the foundation for the data collection section of this study. Table 3.1 illustrates to the reader, in brief, the scope of the data collection and the methods that will be adopted to collate valuable data for the study. The foundation for the choice of specified research objective
has been largely shaped by the information discussed through the literature review in the previous chapter. It was clarified at the end of this chapter that there are three main gaps that appear within current literature on the subject of HRM transferral in the multinational. Such findings (1.5.3) concluded through the literary discussion can be grouped into three main themes:

1. The adoption of Westernised HRM practices.
2. The organisational structure.
3. The hybrid approach.

The clarification of these three themes will form the basis for the data collection in order to ascertain the overall aim of the study, which is to examine the organisational framework of Human Resource Management within the UK and Malaysia, with a particular focus on how the parent and host company interact to shape the process and delivery of HRM policy development to meet with the challenges of improving the working environment for staff. The first of these themes can be described as the assessment of how multinational companies enforce their own Western-based HRM policies and practices at a local level within a developing country setting. This act can lead to catastrophic results in terms of managing local people and harmonisation of the workforce, as HCNs can perceive this as disrespectful, inappropriate to the host culture and antithetical to local norms. As a result, this will require further examination in the context of this study, particularly to assess how the MNC shapes their HRM policy and practice to avoid such results.

The second theme, as reached through examination of the literature, highlights the need for greater examination of the organisational inertia. It has been identified through the literature that Westernised organisations are generally flatter and have softer hierarchies as opposed to developing countries, which appear to have greater demarcation. Through examination of current literature, it has been established that there are a number of factors which have led to this divide, as follows: communication variances between host and parent countries; age of composition of the workforce; reward and benefits; work patterns; and
local customs. The question for this study is to ascertain whether an alignment is possible between the organisational structure between the parent and host country subsidiary.

Finally, the last theme as concluded in the literature review outlines a ‘hybrid’ approach to the transferral of HRM policy and practice between multinational sites. It is apparent through the discussion of current theorists within this topic area, such as Schuler, Harzing, Debrab (2008), that there are many approaches adopted by the MNC to transfer their HRM through multi-site operations. However, a notable gap within some of these observations is the view that there is not ‘one best way’ of transferring HRM policy and practice, but that it is MNC specific. This meaning that MNCs may adopt one approach or a number of approaches and this may vary on a number of variables. In light of this view, it would be an opportunity to pursue this further and examine this dimension in terms of this study. Is one approach adopted or a number of approaches? And what are the variables that shape these approaches to HRM between the parent and host company?

It is now necessary for this chapter that the methods of data collection are assessed as to their suitability for the study.

3.1.1 Research: Meaning, Philosophy and Methodology

This chapter will be structured into the following sections:

- The overview of research philosophy
- The research context
- Methods of analysis, ethics and access
- The research methods.
As a starting point and foundation for this chapter, it is necessary to examine what is meant in terms of research methodology. The term methodology can be defined by ‘a methodology is an explanation of, and vindication for using, the approach that is adopted to collate and comprehend the data’ (Creswell, 2003). The aim of this study, as discussed in the first chapter, is to examine the extent to which multinational organisations transfer their Human Resource Management practices between the parent and host subsidiaries. In order to accomplish this aim, this chapter will examine the research design and choice of methodology whilst assessing the rationale and justification in relation to the study. In brief, this study will adopt a mix methods approach to data collection, which will consist of two specific methods: *semi-structured interviews and a questionnaire*. Organisational documents were used as part of the methodology to identify differences between those used in the UK and Malaysia.

Before beginning the assessment of appropriate methods within this chapter of the study, it is essential to discuss the author’s philosophical stance in relation to the proposed research methods that will be adopted for this study. This chapter will also describe the construction of the data collection methods and highlight their reliability and validity in line with this study.

### 3.1.2 An Introduction to the philosophical stance

As an introduction to this section, it is imperative to grasp an understanding of what research methods are. They are detailed by Wong (2011) ‘as being the rules and procedures which are ultimately designed by social scientists to guide the enquiry of a problem in a systematic manner’. The foundations of research within social sciences often lay around two major terms, namely epistemology and methodology. Both terms are developed from Greek philosophy of knowledge, or how we come to know. Epistemology is concerned with the philosophical stance of how we come to know and the methodology is the practical
application through the use of methods so that we come to know. The question that underpins epistemology is whether the social world can be studied and examined according to the same principles and processes as the natural sciences (Bryman, 2008). It can be said by Olsen (2004) that it is of great benefit to the reader if they understand the researcher’s philosophical position, as this helps to situate the reader in terms of both argument and technique.

The foundation of an important philosophical stance in this field is by Crotty (1998), who simplified the four elements of a research process. Each of these elements was denoted as ‘informing’ the next so that they would act as a flowing line of development throughout the research process.

The first of these elements, epistemology, was described as ‘what it means to know’. Within this element, Crotty enlisted objectivism, constructionism and subjectivism alongside their variants. The second of these elements was theoretical perspective, otherwise known as the philosophical stance. This element includes positivism and post-positivism interpretivism; symbolic-interactionism; phenomenology; and hermeneutics. In addition, critical inquiry, feminism and post-modernism would sit here. The third of the elements was characterised by the methodology, detailed here as the plan of action or strategy. Within this element is experiential research, survey research, ethnography, phenomenological research, grounded theory, heuristic theory, action research, discourse analysis, and feminist standpoint research. Finally, the ‘Methods’ or ‘Techniques’ element includes sampling, measurement and scaling, questionnaires, observation (participant/non-participant), interview, focus group, case study, life history and narrative. This element is not exhaustive here. These four elements would later act as the foundation for further work in this philosophical line by Cresswell (2003), who stated that research allows the researcher to: make claims as to what knowledge is (ontology); explain how they know what they know (epistemology); describe what values go into the research (axiology); determine how they want to write about it (rhetoric); and decide on the processes for studying it (methodology). Clearly, from the standpoint of these two theorists alone, it is clear that the theoretical or philosophical stance taken by the researchers will clearly influence the researcher’s methodology and,
ultimately, their choice of data collection methods thereafter. This be can see in the work of Dunne, Pryor et al. (2005), which demonstrates the varying influences as interlocking sets. In the three sets, there are: ethical and political Issues; practical and political issues; and epistemological and ontological issues. Central to all is the methodology.

3.1.3 Key concepts

It has been perceived that, for many years within the field of science, experiments and knowledge have been closely linked to the traditional approaches of positivism, where observations and experiments have justified methods and approaches to analysing knowledge. Positivism can be described as the method for ‘advocating the application of the methods of the natural sciences to the study of social reality and beyond’ (Bryman, 2008). This term is heavily dependent on the process of collating facts and data in order to prove an objective through the analysis of tested hypotheses to confirm knowledge.

Empiricism, as described by historical authors such as Ayer (1946) and Carnap (1966), is the theory that knowledge is indeed derived from ‘sense-experience’ and empiricist-philosophers within the field treat this science as the only source of genuine knowledge. It uses the human mind as a blank canvas and adopts the stance that we develop knowledge from our sensory experiences. This also excludes the theory that knowledge can be acquired through entities that cannot be observed and, moreover, that knowledge must be testable, factual and observable (Benton, 2001). It can be determined that ideas must be tested rigorously before they are concluded and be considered as knowledge. This view is clearly contested by theorists such as Feyerabend and Kuhn, who claim that science is a ‘playful learning’, where new meanings and understandings are grasped and attained before one moves on to something else (Williams, May, 1996). They perceive science as an evolving programme of events and encounters; that there is not one singular best approach to science, but a variety of developing methods suited to the objectives in the context of the study.
There is also another view, which is that of interpretivism. This view contrasts with the positivistic approach as it aims to appreciate the ‘distinctiveness of humans’ as subject matter. It, therefore, needs a different approach in order to assess this distinction within the human being as opposed to the natural order. It could also be said that this approach takes into consideration the difference in the strategy required to analyse these differences. Therefore, data can be assessed and differentiated in an interpretative manner which contrasts to the more rigid approach of positivism.

There are also two ontological considerations within this discussion of the key concepts. The first is objectivism. This is primarily concerned with the assumption that social phenomena have an existence which is independent of social individuals. In the purpose of this study, for example, it can be said that the organisation is an object that has processes, rules and legislation.

The organisation has a hierarchy in which jobs are allocated through a labour system. It has a purpose and organisational goals and objectives. The individuals within this organisation are constrained within the rigidity of its system and they obey the rules, do their jobs and strive to achieve the goals; but, within this, they are inhibited and restricted by the organisation. It can then be said the same of cultures, as they restrain and demand that individuals who have a belief and values must act in a certain manner to exist within the culture; therefore, they socialise within to function or participate fully. This is the objective reality, as the culture and organisation adopt a palpable reality of their own which is external to the individual. The opposing approach is constructionism, also known as constructivism. This challenges the view that organisation and culture are pre-given and develop the theory that social phenomena are not merely shaped through social interaction, but that they are continuously evolving and changing through social interaction. It has also denoted that researchers over the years have developed their own constructions through their own accounts of their research, so they have created their own interpretation of social reality as opposed to the existence of a definitive.
By contrast, the term ‘realism’ exists as an epistemological consideration. There are two considerations here: Empirical and Critical. The Empirical stance clearly based around empiricism offers the view that, through the application of suitable methods, reality can be understood. For this study, the critical realist position will be embraced. This approach was pioneered by a number of authors in the 1970s, including Harre, who developed work based on realist philosophy of the natural sciences, and Hesse, whose work developed around models and metaphors in scientific thinking. These two authors were also critical of the work developed in 1975 by Roy Bhaskar, who is now renowned for the pioneering theories of ‘critical realism’. This theory underpins the research in social sciences within this field; however, there is much discord that still surrounds this approach.

Within the context of everyday life, the term ‘realistic’ exists, which can be perceived as meaning that people claim to be realistic when they do not have high expectations of themselves or even the events they participate in (Benton, Craib, 2001). It could be said that these people have a resigned acceptance of the way things are within their world and that they cannot live up to their hopes and dreams, which contrasts with fantasy, escapism and non-representational forms of expression. However, Bhaskar, within this theory, concludes that critical realism takes three distinctive features: the recognition that social science is a social practice and the knowledge that social science is a social product; the recognition of the independent existence of the objects of scientific knowledge; and an account of scientific experiment and discovery, as material and social practices in virtue of the former two elements are sustained (How, 2001).

The critical stance supports the view that we need to understand the reality of the ‘events and discourses’ in the social world within which we live through identifying the frameworks that generate these ‘events and discourses’ (Bhaskar, 1989). The latter of these theories opposes positivism as a direct reflection of the reality within which the research is carried out, yet critical realism offers the stance that it is merely an aspect of understanding the
reality. Positivism relies heavily on the systematic approach, whereas critical realism appreciates implication and terms that may not be in direct relation to the object of the study.

In the context of this study, the critical realism stance is compatible with a variety of research methodologies, as it is can be said that this view is the half-way house between the extremes of positivism and interpretivism. It would appear that, although the philosophical stance may vary, the depth of the study and the key element is the design of the research itself as there is no right or wrong philosophical approach. The methods must be carefully formulated to ensure that the optimum research is reached and that the methods are appropriate for the topic area and the framework that has been chosen to work within.

To be specific within the context of this study, the approach that will be adopted in terms of philosophical stance is the critical realist. This approach is of particular influence within this study as there will be the need to adopt a number of different methods in order to ascertain the validity of the research questions and overall study objectives. As a result, this approach appears to allow the researcher to be flexible and is less rigid as concluded from the aforementioned paradigms. Additionally, the approach of the critical realist is to be flexible and, as stated earlier within this section, the approach acts as a conductor between the extremes of interpretivism and positivism. As such, this allows the researcher to use a variety of methods to examine the elements of the study further. So, the questionnaire can be used to ascertain some general information about how well the HRM policies have been cascaded to employees within the chosen organisation. This can then be followed with a series of semi-structured interviews that can emphasise anomalies found in the questionnaire results. This is the approach of a critical realist who seeks a ‘mind dependent outlook of the world’ (Olsen, 2009). It is ideal for this study because it is the opinions and impressions of managers working at a specific organisation that will form the basis for this study of transferability within HRM systems within the MNC setting.
Finally, the critical realist approach lends itself to this study, as clarified by Carlsson (2008). This approach is flexible and suited towards mixed methods studies, which can adopt quantitative, qualitative, participatory and mixed methods to collate data. This is true of this study, as a variety of approaches have been identified such as the questionnaire, interviews, as well as the use of secondary data methods.

3.2 Research methodology

This study will adopt a case methodology approach. There is clearly the question of why adopt a case methodology approach without consideration of a study across a number of organisations. The case study method, as discussed by Stake (1995), notes that the objective of studying one organisation is that it can benefit to understand in depth the complexity and nature of the case study in question, as opposed to a more superficial comparative study across an industry or sector.

A case can be described as a community, location or organisation (Bryman, 2008). The case method is often associated with qualitative research methods as opposed to quantitative methods, such as statistics and factual data, as these can often fail to fulfil the depth of the study. However, that said, there are a number of methods that are qualitative in nature which help provide a case focus of interest and an intensive and detailed examination, such as observation and interviewing. Yin (2003) distinguishes five variants of a case:

- **The critical case**: the researcher has a well-designed theory and the case is chosen to support this theory and provides a better understanding.
- **The extreme or unique case**: a common focus in clinical studies providing an intrinsic interest, which makes the case extreme or unique.
• **The representative or typical case;** a day-to-day or typical situation is adopted in order to provide the case background for the study, as these situations are broad and suit a number of specific questions to be answered.

• **The revelatory case;** when an investigator has the opportunity to access a particular phenomenon previously inaccessible for scientific research.

• **The longitudinal case;** this may be chosen as it offers the opportunity to be investigated at two or more junctures, and it can also be studied over a period of time.

For this study, the ‘representative’ or ‘typical’ case has been chosen. This has been derived from the nature of the study, which is to investigate HRM policy and practice within an organisation through the examination of routine organisational documents, employee opinion and the function of HRM through the lens of a multinational across two specific countries. Within this case study, the day-to-day situation and how HRM sits within the context of the MNC will be investigated, with the opinions of staff being part of everyday life within the organisation. This method is very suitable, as the broad nature of the research questions posed can be adapted to suit the MNC in both the UK context and Malaysia.

There are several benefits from adopting the representative case study approach. Firstly, this method permits the author to collect valuable qualitative data without becoming lost in volumes of information. This method of research provides a carefully planned and crafted study of the ‘real life’ situation of Human Resource policy and practice in both the UK and Malaysia. It also provides the author with a detailed perspective of the study and enables an insight into the events and their relationships, which may not be gained through other larger research methods where valuable insight and data may be lost in volume.

There are also criticisms of this method, which include the notion that there is little ground for establishing reliability and generality of findings due to the study being concise. In addition, it is significant that the intense exposure of the case may create biases towards
the findings. It has also been argued that such methods can only be successful as an exploratory tool.

Moreover, the case study method for the purpose of this study allows the author to become engaged in depth. Due to the nature of the study, the researcher is permitted to gain great detail from the case study, which will highlight the rhetoric and reality of HRM practice and policy in this study. Robert Yin states that the case study is an ‘empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used’ (Yin, 1984).

In the context of this study, the author is also guided by the view denoted by Cresswell (2003), that all research methods have their limitations and that there is not one singular method which is intrinsically better than another (Silverman, 2005). With this view in mind, it is clear that the research method is one of choice and what clearly matters here is the research design (Silverman, 2004), which should focus on simplicity.

### 3.3 The Research Setting

#### 3.3.0 Establishing the case study

Before embarking on the process of discussing the case, it is necessary to enlighten the reader on the specific choice of case, the reasons behind the selection of the case, the industry setting and the appropriateness for this study.

Whilst formulating the process to begin this study, a number of different sectors were examined in order to assess the validity of such a study in the context of a variety of
organisations. The author’s background is predominantly retail, which sparked an initial interest in this sector. From there, various informal research processes took place to assess the nature of retail for such a study and the issue of accessibility. The research would require knowledge of both the UK sector and Malaysia, which had already been chosen as the country for the study based on earlier discussions in Chapter One of this work. Once an understanding of the sector had been established, as well as the operating sites within Malaysia and the UK, it was concluded that there would be one retailer that would suitably fit the desired case profile, namely Tesco Stores PLC.

### 3.3.1 Case study background

The research setting for the case study is Tesco Stores PLC, an organisation that has been operating for the last 90 years in the retail sector, having been established in 1920 in the East End of London. The name of the retailer is derived from the two original founders of the company, T.E. Stockwell and Jack Cohen. The pair began business in the East End of London as market traders with the simple strategy of ‘pile ‘em high and sell ‘em cheap’. Cohen, being one of the organisation’s founders, had been vastly influenced by the supermarket culture in America and so invested his serviceman’s gratuity in a stall in London’s East End. In 1947, the company went public and, a year later, began trading as self-service stores. By 1960, the generation of profit from being one of the UK’s first self-serving retailers had led to the ability to reinvest profits, and this was done by acquiring other retailers throughout the UK. However, the Retail Price Maintenance Act prohibited Tesco from selling products cheaper than the price agreed by the supplier. Tesco started to sell stamps, which could be traded with products within the store, thus being a way around the RPM Act. However, in 1967 the Act was abolished and Tesco went on to open its first 90,000 sq ft superstore. At this time, it was apparent that the customer no longer required the ethos of ‘piling high’, but wanted more expensive and luxury items. This proved to be a dilemma for Tesco and, as a result, they began to close smaller stores and invested in the larger superstores format. In the late 1970s, Tesco started to sell fuel at pumps, which proved to be a significant benefit for the company. From this initial strategy, today the
company now operates on a global scale with stores in over 14 countries worldwide, employing over 500,000 people and serving millions of customers weekly.

The UK-based operations form the foundation for the multinational, with over 300,000 staff based here across 3,000 sites. Financially, this operation is significant to the MNC success with over 66% of group sales and profit deriving from this core business. The current business strategy for the UK still resides with simplicity highlighting six key themes:

<table>
<thead>
<tr>
<th>Figure 3.1 Business Themes</th>
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<tr>
<td><strong>1. Service &amp; Staff</strong> – more staff for existing stores, initially in fresh food departments.</td>
</tr>
<tr>
<td><strong>2. Stores &amp; Formats</strong> – faster store Refresh programme; introducing warmer look and feel.</td>
</tr>
<tr>
<td><strong>3. Price &amp; Value</strong> – better prices and promotions, more personalised offers.</td>
</tr>
<tr>
<td><strong>4. Range &amp; Quality</strong> – better ranges, starting with re-launching the Tesco brands.</td>
</tr>
<tr>
<td><strong>5. Brand &amp; Marketing</strong> – better, clearer, more relevant communication with customers.</td>
</tr>
<tr>
<td><strong>6. Clicks &amp; Bricks</strong> – Click &amp; Collect roll out, transforming range and online presence.</td>
</tr>
</tbody>
</table>

(Source: Tesco PLC Annual Report 2012)

### 3.3.2 Tesco in Asia Pacific

Tesco operates in Malaysia in partnership with a local conglomerate, Sime Darby, who hold a 30% stake in the business. Tesco entered into the Malaysian market in 2002 and has since
opened 46 stores across the Malaysian Peninsular. Tesco owns two distributions, one fresh foods based and the other which focuses on ambient products in Perak and Selangor respectively. One of the key operating strategies within Malaysia is to offer the local SMEs a loyalty discount through the use of a company card. This loyalty scheme offers the local businesses privileged access to the Tesco supply chain and reduced rates in the shopping malls, which enables them to develop and compete.

Figure 3.2  Tesco, United Kingdom and Kuala Lumpur

3.3.3  Tesco: An Overview from an HRM perspective

Over the last 90 years, the roles and expectations of staff and managers have greatly evolved within Tesco, from operationally-based and task-focused to strategic and people development practices. The strategy for the company is based around a balanced scorecard approach, whereby each valued section is highlighted in terms of a measurable outcome. This strategy was introduced in 1997 by the former CEO, Sir Terry Leahy, to formalise and structure the company throughout with one process, The Steering Wheel (Figure 3.3).
The Steering Wheel is designed to create one approach to the management of the retail operation and is used not only in the UK, but also in their international operations. Each segment is critical in driving the business, with the overall strategy being: to look after the people and they will ensure that the operations work well, which will in turn entice happy customers to return thus bringing financial rewards, which can then benefit the local communities (Tesco Annual Report, 2012).

The steering wheel is transparent at every process of the Tesco people strategy, so much so that every member of staff has a copy and all Key Performance Indicators (KPI), no matter which part of the business they work in; they are therefore managed accordingly through the steering wheel. As far as performance management of employees is concerned, each member is assessed according to their unique contribution to the wheel within their region, store or department and targets are set to manage and drive each element of the wheel.
forward. Performance through this process is reported on a quarterly basis to the board and the top 2000 managers are then given the report to cascade to their staff through team meetings and communication processes. The remuneration packages of senior managers within the business are directly linked to such performance of their KPIs and their level of achievement around the wheel (Witcher and Chau, 2008).

### 3.3.4 Examining the documentation behind the Steering Wheel

To support the methodology of this study, it has been imperative to investigate the detail of the documents that drive the steering wheel in order to allow the researcher to understand the breadth of Human Resource Management processes within the case organisation. This investigation has been facilitated through the methodology chapter. Additionally, it is apparent through such an examination to investigate whether there are administrative differences between the process and procedures adopted by the parent and host company. Indeed, if the case organisation does transfer HR policies and practices to their host subsidiary in Malaysia, then how is this managed from an operational perspective?

As pointed out by the work of Silverman (2004), organisations and other research settings have various methods of representing themselves to others, as well as those employed there. Institutional documents are just one method of creating a perception of the organisation to themselves and others. This perception can be deemed as a form of organisational reality. Based on this view, it is then imperative for this study that the activities and processes surrounding HRM within Tesco are investigated further in order to generate a complete picture of how and what the HR processes are within the two geographical sites. This examination was carried out whilst assessing the best approach for the methods of data collection.
Within this research, it is also an aspiration of the researcher that it will become apparent why such organisational documentation is a vital source of data for this case study. The researcher’s perception at this point is that the organisational documents provide an integral framework within Tesco PLC and will help to influence and translate through the hierarchy a cultural code of operating within the people function.

In order to support this view further, Holliday (2002) emphasised that organisational documentation can be representative of the culture within an organisation, yet it can also be perceived by others as nothing more than information about an organisation. Indeed, it could also be said here that such documentation is significant as an organisational artefact, which can be rich in terms of data such as demographical information about employees, a historical perspective about where the company originated from and how it has grown the business, as well as personal information that may not be obtained from other sources (Glesne, Peshkin, 1992). That said, it is also worthy of note that some documents may not paint an accurate picture and they may construct their own version of reality, as suggested by Silverman (2004).

The researcher aims to use these documents as a foundation within this chapter, which may be able to support the data collected from the questionnaires and interviews to either corroborate or refute the findings later on within this study. In terms of the perspective of this study, the table below Figure 3.2 outlines the variety of documentation utilised during the examination of such documents for the purposes of providing the researcher with an insight into the case organisation.

<table>
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<tr>
<th>Types of Documents</th>
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</thead>
</table>
These documents have been examined through the guiding support of Anderson (2004), who outlined a qualitative research method through the identification of themes, namely the five-step qualitative data analysis, or 5QDA as it is also abbreviated. Through the support of such a qualitative analysis technique, the researcher has been able to establish themes which support the discussion of the transferral of HR techniques and practices from the parent company to a host subsidiary in the developing country of Malaysia. Following an examination of the documents listed in Table 3.2, it has been identified that the documentation for both Tesco UK and Tesco Malaysia are the same. To this end, the researcher used this as a basis for formulating some of the interview questions, using specific themes to order the discussion.

At this juncture, it is worth noting that a crucial part of this study has been to identify specifically which HR policies and practices are transferred throughout the business. Notably, the researcher has identified information specifically focused around the following themes: Strategic Human Resource Management, Performance Management, Communication, Staff Development and Training, Organisational Shared Values.
At this stage, it is also worthy of note that the researcher is a practitioner-researcher and, as mentioned in previous chapters, has also some knowledge of the processes that have been identified within this case study analysis. Easterby-Smith et al. (2002) argue it is important that the researcher distances herself from the context of the work so that the data that is discovered here may be examined in a more meaningful and contextual manner. As raised by Alvesson and Deetz (2000), the author must constantly be posing the question to themselves ‘what does this mean (apart from the obvious)?’ when analysing the data presented within these documents.

a. The importance of HRM to the Company Strategy

As a starting point for the investigation, it was essential to thoroughly examine company documents that identified HR as a key player within the overall company strategy. Having examined the Annual Reports from 2008 to 2013, the most prominent feature was the need to ensure that the People Strategy remains firmly rooted as part of the overall strategic plan.

3.3.4.0 The People Quadrant; A Strategic Approach?

Within the statement released by the CEO of Tesco in 2013, it is notable that their focus is ‘is a company built around customers and colleagues, high-quality assets around the world and multiple opportunities for growth – and these characteristics are central to our Vision for the business’. On further examination, over the last five years it can be seen how the People Agenda has been encompassed in the overall strategic plan of the company. Moreover, since the identification of the need to present the company strategy in the form of the Steering Wheel in the mid-1990s, it can be seen that the People Quadrant has always been high on the agenda for Tesco. That said, when analysing the Steering Wheel quadrant
further, it is also notable that two other major concerns are highlighted; the first is the absenteeism rate of staff at store level, while the second is the rate of pay for store employees.

Tesco operates their strategy using a Balanced Scorecard approach through the form of the Steering Wheel, as can be seen in Chapter Three. The tool is viewed as a single comprehensive approach to integrate not only strategy and processes, but also to fuse together the diverse departments and functions within the overall company. When the Steering Wheel was first established in the mid-1990s, all staff from all sites were asked for their input into how they wanted the wheel to look visually; they were also to have a say on the language that was to be used and how accessible it would be to all levels of staff, inclusive of all geographical locations. To reflect the changing market, as well as the integration into international sites such as Malaysia, the Steering Wheel has undergone several updates since it was first developed. The force driving the success of such a visual strategy is the Core Purpose. This is a statement that encompasses all that Tesco PLC represents, both in the UK and on a global scale. Both the Steering Wheel and the Core Purpose are unique in the sense that they have been transferred into all sites and countries around the world where Tesco operates. For the purposes of this study, this is an interesting concept. As discussed in the Annual Report 2013, the Chairman and the CEO are keen to encourage and promote diversity within the workforce on a global scale, yet the key driver of their strategy is based on a UK operating model, which is simply translated into other languages.

3.3.4.1 Management processes

In terms of pursuing this study further, it is essential at this point to understand how HRM fits into the everyday profile of Tesco PLC and, specifically, how the Managers who lead such a global business are engaged with HR. In order to carry out this process effectively, it was necessary to examine exactly how the management hierarchy operates at Tesco PLC and
what the key differences are between the parent and host country structures. This can be achieved through examination of the company documents. In particular, the ‘Tesco Ways of Working’ provides an insight into the structure in both the UK and Malaysia.

To begin, the research here investigated the ‘Tesco Ways of Working’, which is also perceived as a reference document for all those working within the Tesco structure. Here, it clearly states that Tesco PLC operates throughout Head Office, Distribution and Stores with a management structure being categorised through a numbering system, as can be seen in Table 3.3.

<table>
<thead>
<tr>
<th>Work level 1</th>
<th>Work level 2</th>
<th>Work level 3</th>
<th>Work level 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>frontlin</td>
<td>leading a team of employees who deal directly with customers. Requires the ability to manage resources, to set targets, to manage and motivate others.</td>
<td>running an operating unit. Requires management skills, including planning, target setting and reporting.</td>
<td>supporting operating units and recommending strategic change.</td>
</tr>
<tr>
<td>Various in-store tasks, such as filling shelves with stock. Requires the ability to work accurately and with enthusiasm and to interact well with others.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3-3: Tesco PLC Management Structure
Requires good knowledge of the business, the skills to analyse information and to make decisions, and the ability to lead others.

**Work level 5** - responsible for the performance of Tesco as a whole. Requires the ability to lead and direct others, and to make major decisions.

**Work level 6** - creating the purpose, values and goals for Tesco plc. Responsibility for Tesco performance. Requires a good overview of retailing, and the ability to build a vision for the future and lead the whole organisation.

Source: [http://businesscasestudies.co.uk/tesco/recruitment-and-selection/skills-and-behaviours.html#ixzz2njiP9N8q7](http://businesscasestudies.co.uk/tesco/recruitment-and-selection/skills-and-behaviours.html#ixzz2njiP9N8q7)

As can be noted from Table 3.3, the Tesco management structure is based around the customer, with the customer specifically featuring as the first part of the hierarchy. Yet, as the level of responsibility progresses to Senior Management, the relationship between the customer and the manager becomes more distant. It is also worthy of note here that each of these levels is attained through demonstrating specific behaviours for each work level and this is an integral part of Tesco People Development. Each member of staff at Tesco, whether management or not, have their own work development plan which enlists specific behaviours to either help and support them to do a better job for the customer, or to support development and promotion to a ‘bigger’ job.

It is significant at this stage to highlight that this structure operates not only in the UK, but also across all of the Tesco businesses and geographical locations. For example, a level 3 worker such as a Store Manager in the UK will have exactly the same responsibilities as a level 3 Store Manager in Malaysia. On further examination of performance documents,
appraisals and target setting, it can also be noted that their specific documentation is also the same. One notable difference is the specific targets themselves; these vary dramatically due to the geographical location, not merely on an international basis but also on a local basis in the U.K. An example of this would be a store in a city centre which will have different operating targets in terms of absence, communication, sales, shrinkage, staff turnover and bottom line profit in comparison to a store that is located on the outskirts of a city. This is the same for the store size in terms of the smaller Express and Metro sites, which operate different targets based on their customers and local area in comparison to supermarkets and hypermarkets. That said, the documentation and processes are the same both in the UK and in Malaysia.

It is still not clear, however, to what extent Tesco Managers are involved with HR within their roles. On further examination of the ‘Tesco Working Way’ document, there is another plan which outlines each member of staff’s responsibilities. Within this plan, each manager’s job roles are assessed against their own role steering wheel and the people quadrant is examined in more detail. As a minimum, each manager will be set targets specifically for their own area of responsibility for absence, appraisals, training and development and communication within their own team of people. This clearly demonstrates that the key driver of the People Quadrant is equally dispersed amongst every member of staff within Tesco and disseminated across all areas of Stores, Distribution and Head Office equally. However, there is now another question arising from the examination of these company documents: If HR practices are equally disseminated across the management structure within Tesco PLC, what role does HR play specifically?

The role of HR still sits within the six working levels in Table 3.3. Indeed, HR can be seen throughout the structure of Tesco in all the sites, yet the impertinent point to note here is that the name HR does not exist; instead, both the department and persons responsible for administering the HR function exist under the function of Personnel. This is significant and, if we take a look back to the literature examination for this study, it is interesting to note that the Personnel function reflects some of the original traits such administration duties,
managing and controlling wages, filing and storing data and providing diarised updates. This is a far cry from the strategic and integral human resource management that we have expected within such an apparent global and dynamic multinational company.

3.3.4.2 Communication

For this section, it is imperative to examine how Tesco communicates and who again drives this part of the people quadrant. Tesco PLC has a number of key methods they use to communicate to staff. The Tesco ethos is about keeping HR processes ‘simple’. Tesco has a number of ways in which they communicate to their staff on a daily basis. For example, Team Manager meetings, which are called ‘Smile and Meet’, take place three times a day and are usually situated on the shop floor; they discuss store performance on a daily basis and capture information such as how the store is trading that day, staffing problems and any customer or operational issues. Additionally, this method is also used to hand over to different managers between shifts. Another two-way process of communication, designed to capture staff feedback on how their managers are operating and behaving within the sites, is called ‘Viewpoint’. This is a 40-question document, which is now electronic, and was designed to gather feedback from staff at all levels across the business on an annual basis to ensure that Tesco people were happy under a detailed structured list of questions. Additionally, the managers within all sites and formats are given targets for completion of the questionnaire, as well as specific targets within the questionnaire to achieve. In 2011, Tesco also embarked on a less prescriptive method of communication, known as ‘Listen and Fix’. This method derived from the formal annual Viewpoint process, as it provided staff with a low participative method of sending their views either by a text or email. Staff could send their ideas of how to make improvements and other feedback in this manner and, likewise, the managers would respond in the same manner. Similar to the Viewpoint questionnaire, all responses were anonymous as feedback was received through a central point of contact, with just the store number to identify specific feedback for improvement. The ‘Listen and Fix’ was administered across all Tesco operating sites in 2012.
In terms of this study, the interesting point to note here is that, again, the approach to communication within Tesco PLC is not synonymous with location, but is clearly identical to that of the parent company and, indeed, country. Specifically, Malaysia has exactly the same operating communication strategies for staff and managers alike.

3.3.4.3 Development

Tesco PLC pride themselves particular on developing organic talent and specifically training, developing, promoting and retaining their own. ‘At any one time we've got 7,000 colleagues on development programmes specifically designed to help them gain the experience and skills they need to move on to the next Tesco challenge’ (P.J.Clarke, CEO, Annual Report, 2012).

Tesco PLC operates an in-house training programme which is suitable for any level or stage of development within Tesco. The Options programme is tailor-made for individuals and is extensively used to promote staff, both vertically and horizontally through the hierarchy, as well as between sites such as Store-Head Office-Distribution. Each member of staff is to have a Career Discussion with their Line Manager once a year and, following such a discussion, they will be given a written document known as their ‘Work Plan’. According to Tesco Careers, the company ‘aims to develop a combination of leadership, general and operating skills through “on and off” the job experiences and a clear process that is designed to provide transparent feedback and coaching’ (www.Tesco.co.uk).

The Work Plan will detail the individual’s career aspirations, as well as their existing skill sets against the Tesco behaviours, together with a chart of how they will get to where they want to go within a timeline. If the individual is wishing to move vertically through the hierarchy, then on the achievement of specific targets they will be selected to attend an assessment
centre with other individuals from the same region; then, according to the number of positions available, they will be selected for promotion. An interesting point on examination of these organisational documents in the context of the methodology is that, again, they are extensively used throughout the business as a whole, irrespective of a site’s size, function or geographical location.

So far within this chapter, various management processes and documents have been examined further to set the case into a context for the purposes of this study. That said, the investigation has centred on a structure of policy and procedure. The next section of this chapter will consider how such processes are driven through the workforce through an examination of the Company Shared Values system.

### 3.3.4.4 Organisational Shared Values

As can be seen from the Steering Wheel, people act as the key to success in every element of the business. The essence of the people strategy is driven by objectives, which were written by staff in all sectors of the retail company. Each employee was asked to make a contribution by offering suggestions through team meetings of what was important to them in their role. From these suggestions, the main themes were selected by store, distribution centre, head office, and by region until a handful were translated into what is now known as the ‘Tesco Values’ (Figure 3.4). These values work as the Tesco code of conduct and are at the core of the way in which Tesco drives its business forward through their people.
The values are significant as they form the basis of the culture within the organisation, through maintaining a feeling of trust between employees and enabling conflict to be discussed in a controlled environment. The Tesco ethos is that, if employees are happy and work well together, enjoying the challenges and people they work with daily, then this will encourage customers to shop there, suppliers to do business with them and develop positive relationships throughout the business between stores, distribution centres and head office. The question is whether these values and approaches to HRM practice work in reality? Now that a background to the organisation of study has been discussed, the researcher must now focus on the approaches selected in order to assess the objectives of the study.

3.4 Research Methods and Processes

This section will address the need to examine each of the selected research methods in turn. The aim of the research method is to ensure that the researcher is well-equipped to gather sufficient data in order to answer the research questions fully, as failure to do so could
corrupt and even invalidate the research project as a whole (Patton, 2001). The data for this study will be collated using three main methods, namely questionnaire, interviews and organisational documentation. The specific research instruments for data collection will be discussed in turn. However, before this process can take place effectively, it is essential to focus on the population to be examined, the sample, which will satisfy the research questions and overall aim and objectives of the study.

3.4.1.0 The Sample

The aim of this study is to examine the extent that HRM policies are cascaded from the parent company to the host country company. As a result, the sample criteria are established based on the research objectives. A determining factor of this process in order to examine the data effectively and prove or disprove the study aim is the selection of appropriate individuals to survey (Bryman, 2007). It is here that the researcher must decide which population is suited to the investigation of the research issue. Due to the large population of Tesco PLC, it is not likely that all services, departments, staff and managers within these areas in both countries can be examined in detail due to timing constraints and the resources it would take to effectively plan such a study. As a result, it is imperative to focus the study further and select a sample from these population areas in Malaysia.

There are two main approaches to assessing suitability of a sample. The first is probability sampling, which is generally used by positivistic researchers seeking quantitative-oriented results. The second is non-probability sampling, which follows the phenomenologist or qualitative researcher (Teddlie and Yu, 2007). Given the nature of this study, the non-probability – also known as the purposive – sample is of particular relevance when exploring the case of Tesco PLC and, as stated by Tashakkori & Teddlie (2003), is ‘based on a specific purpose rather than randomly’. There are three broad approaches to non-probability sampling: Sampling to achieve representativeness or comparability; Sampling special or unique cases and sequential sampling; Sequential sampling techniques (Kuzel, 1992;
LeCompte and Preissle, 1993; Miles and Huberman, 1994; Patton, 2002). There is also a fourth element, which takes a multiple sampling approach.

For the purpose of this study, a mix of the purposive and the snowball sample will be adopted. The reason for this choice is because, as a result of the researcher’s professional background, she has become acquainted with individuals within the chosen organisation and, although initial contact in terms of the research has been established with a small group (Bryman, 2007) from the company, this has now developed into a larger network of interested parties. In addition, given the nature of the study and the aim to compare two HRM operations in opposing countries, there can be no other suitable sampling technique as access through formal channels has proved to be limited.

### 3.4.1.1 The Unit of Analysis

The Unit of Analysis (UA) is the major entity of the study and refers to who or what is being studied (Babbie, 2002). There are implications for the design of the study based on who or what the unit of analysis is. The unit of analysis is described as ‘the entity that forms the basis of any sample’ (Easterby-Smith et al. 2002). That said, it is also possible to have different units of analysis depending on which stage of the analysis process the researcher is at (Bryman, 2004). For this study, the UA would be the Human Resource Department of both the parent and subsidiary. It would be appropriate to gain access to the UK and Malaysian operation through the use of organisational documents, as well as liaison at store level with Personnel Managers through interview techniques to assess the absorption of policy at operational level.
3.4.1.2 Ethics and organisational access

There are a number of concerns arising from access to organisations in terms of research such as consent, privacy, harm and exploitation (Johari, 2006). The emphasis placed on the importance of each of these factors will differ depending upon the context of the research setting and the researcher’s focus (Creswell, 2003). Either way, the issue of ethical consideration is significant.

As this study is using the former organisation of the researcher, the researcher has the advantage of physical access. That said, it would be imprudent to perceive that the researcher has automatic access to confidential and strategic documents that are currently active within the organisation. In fact, the researcher has little benefit at this stage from gaining additional company documentation as access must be granted through a formal request, as with any other application pertaining to confidentiality within the company.

3.4.2 The questionnaire

3.4.2.0 Design and Administration

For the purpose of this study, the questionnaire will be disseminated as the first method of data collection. This is in order to research specific and more generalised questions to a wider participating audience within the company, both in the UK and Malaysia. As a means of further analysis and to investigate these questionnaire results further, a series of semi-structured interviews will follow. This section of the data research will be used to identify gaps in the results, emphasise some areas and probe further, as well as to pose sporadic questions that may not have been considered at the data collection planning stage, but have since come to light through the questionnaire distribution.
The main aim for selecting the use of a questionnaire was to establish which HRM policies are widely used within the organisation, given that the scope of the study is to link HRM policy with practice between the parent company and host subsidiary. In addition, the results obtained from the questionnaire will aid the researcher to ascertain a perception of HRM policy and practices within the organisation at a central level, as well as locally among staff and managers operating at a store level. From a strategic point of view, the questionnaire will enable the researcher to reach employees that operate far beyond the boundaries of accessibility in terms of geographical location across two countries and numerous locations of centralised head offices, but also in terms of the size of the sample range.

3.4.2.1 Design of the questionnaire

The design of the questionnaire is critical to engaging employees with the research and ensuring completion in terms of the ease of use of the questionnaire and time taken to complete. Also, the effective distribution of the questionnaire as word of mouth is a valuable tool and, if the questionnaire structure is onerous, then employees will be reluctant to participate throughout. The response of the employees is critical to the success of the research as the quality of information gathered here is a key influence within the study. It has been recommended that there are four elements to consider when designing a questionnaire of this nature, namely the focus of the questionnaire, the form of the response, question sequencing and overall presentation (Gill and Johnson, 2002).

Another key component of the construction of the questionnaire is the use of measurement scales. The use of the appropriate scale is of significance as part of the questionnaire design, as this will enhance the validity and reliability of the measuring device. The rating scale is also imperative as it permits the questionnaire candidates to express their views and emphasise these in a specific direction about the topic area. It would appear at first glance that this process is relatively unchallenging; however, there is significant turmoil within the
literature focusing on this subject of whether to add or remove a midpoint for the questionnaire. There is also justification for this in terms of the cultural influence of the respondents themselves. Hence, Gill and Johnson (2002) suggest that four key elements are considered in terms of the overall design of the questionnaire, namely the focus, the form of response, question sequencing and overall presentation. In addition to these points, there was also the consideration of language. As a result, and after further contact with the case organisation, the researcher was informed that English could be used given the context as many of the respondents used English as their second and, in some cases, first language.

Another pertinent consideration for the questionnaire design has been the issue of rating or measurement scales. The selection and use of such scales can elevate the validity and reliability of the measuring device (Gill, Johnson, 2002).

The question here, is why use a rating scale at all? According to Bryman (2007), the use of a rating scale gives the respondents the opportunity to express direction and strength of their views about the research topic, and specifically the question posed. The researcher struggled when designing this particular questionnaire with regards to whether it was necessary to have a midpoint within the scale for the participants to choose. According to the literature, and specifically Dornyei (2003), there is an argument that it is not necessary to have a midpoint as this does not significantly influence the data. That said, there is also opposing evidence to suggest that midpoints can push participants’ views towards the positive end of the scale (Garland, 1991). Additionally, within the context of this research, there is another viewpoint that has influence on this argument, and that is the cultural orientation of the sample population in terms of individualism and collectivism, highlighted by Johnson et al. (2005). Here, the authors express that midpoints may better fit cultures with a collectivist perspective. It can be clarified that Malaysia does fit a collectivist country, which can be defined as having a low individualism ranking and is consistent with cultural societies that have a collectivist nature (Hofstede, 1994). Within the context of this study, the midpoint will be included using a 5-point Likert Scale: 1=Strongly Disagree, 2=Disagree, 3=Neither, 4=Agree, 5=Strongly Agree.
The design of the questionnaire and the development of the structure and content of the questionnaire were formulated using the guidance of Gill and Johnson (2002). Here, a 32-item questionnaire was developed which was divided into four main parts, as follows. Part A consisted of questions 1-8 relating to Management and Performance; Part B consisted of questions 9-18 relating to Personal Development and the Personnel Department; Part C consisted of questions 19-26, specifically posing questions about communication; Part D consisted of questions based on the participant demographical make-up. Although the questions were purposefully grouped into specific themes, it was decided after further examination of the questionnaire that these themes would not appear to be clear to the participant as some of the potential responses may have been influenced by the company, which had also distributed a morale survey within the format of a questionnaire. The researcher was concerned that, if specific themes were drawn to the participant’s attention, they may perceive this as another Tesco-led initiative to gain feedback and the researcher was keen to maintain an independent standing within the data collection perspective. As a result, the questionnaire, although grouped for the researcher’s purposes, was distributed as a whole set of 32 questions. It was also considered within the design and development stage of the questionnaire that there would not be any open-ended questions and that any further follow-up or discussion could be pursued within the interview stage.

Consideration was also undertaken given the level and nature of the retail sector; as most of the participants would be level one within the company structure, they would only be permitted a short space of time in which to complete the questionnaire. Other research of the demographics has also highlighted that the percentage of level one workers who are part-time is also high, which would mean they would have less opportunity to complete the form; therefore, the formulation of the questions was kept simple. Figure 3.5 highlights the structure that was used to help develop the questionnaire design. Additionally, the questionnaire had a paragraph of dialogue that indicated the purposes of the questionnaire and stressed the anonymity perspective (see appendix one).

Figure 3.5  Questionnaire Format

<table>
<thead>
<tr>
<th>1. Determine questionnaire format</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Focus</td>
</tr>
</tbody>
</table>
• Phraseology
• Necessary form of response – scales, types of questions (open/closed)
• Sequencing and presentation

2. Fieldwork
• Potential opportunity to disseminate a pilot study
• Contact the main sample
• Monitor and Review progress

3. Retrieval and analysis of data

4. Writing up stage – Rationale for research design

(Adapted from Gill, Johnson, 2002)

Although Figure 3.5 had helped the researcher to construct and design the overall layout of the questionnaire, the impertinent part of this work was to develop the themes and content to ensure alignment with the research questions. There were a number of different sources that were examined in terms of the questionnaire content. The first of these was a review of the thesis literature; from this, it could be established which themes provided gaps and could be examined further through a formal survey with the staff at Tesco PLC. The questions that were developed from this information were used to help construct Section A, which was developed to test the employee’s knowledge of policies and processes around management, key performance indicators and their own performance within the company. The questions were developed following the insight into International HRM and the theory of Convergence and Divergence in terms of HR policy and practice. The researcher wanted to establish whether the same processes were followed in Malaysia in line with the parent company, which was highlighted in the literature section of this study.
The second and third parts of the questionnaire, Sections B and C, were developed by investigating the organisational documents and assessing how widely used the HR documents were in terms of the key drivers of the steering wheel. The researcher was keen to understand to what extent the Personnel Department had to mobilise such policies and processes within their unit of work, or whether the staff had a high awareness of these processes and were actively participating in their dissemination and success. Hence, the questions within this section focus on the Personnel Department and their involvement in everyday staff life within the case organisation, as well as communication.

The final section of the questionnaire, Section D, was designed to give the researcher an insight into the demographical data of the organisation. Therefore, further analysis could be developed to assess the makeup of the case organisation and whether there was any further work that could be developed based on the findings.

As part of the design process, the researcher also gained access to the company morale survey, Viewpoint (2013), to ensure that the themes identified within the questionnaire did in no way overlap or provide any relationships to existing company documentation. The focus had to be maintained that this study was independent of any other in order to gain access to the sample. It is also worth noting that a brief examination of other HR studies was carried out at the development stage of this questionnaire in order to provide an insight for the researcher. Also, according to Domyei (2003), the assessments of existing questionnaires would provide valuable insight into new questionnaire designs as they would have already been subject to rigorous processing, testing and validity.

3.4.2.1 Identification of themes

For each of the research questions identified, the researcher formulated a series of corresponding questions as part of the development of the questionnaire. The following section highlights the research questions and their corresponding items on the questionnaire, as can be seen in Table 3.1.
The research questions themselves were worded in such a way that it was easier for the researcher to abbreviate these questions in terms of shorter themed statements. As a result, the three themes that the researcher identified were ‘Human Resource Management (HRM) policy’, ‘Perceptions of Managers’ and ‘Staff training and development’. The researcher then grouped together the questions that corresponded which each theme based on the research questions, which can be seen in Table 3.4 below. The themes were purposely not grouped in the questionnaire as the researcher wanted to ensure that the participants were answering the questions in a random manner in order to ensure the most accurate of responses (Bryman, 2010). Once these themes were identified, the researcher began to analyse the questionnaire results through a descriptive analysis, as can be seen in Table 3.4.

<table>
<thead>
<tr>
<th>Research Theme</th>
<th>Questionnaire Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM Policy</td>
<td>q 1 I am aware that there are established HR practices and policies at Tesco</td>
</tr>
<tr>
<td></td>
<td>q 2 I can easily access the Company HR policies</td>
</tr>
<tr>
<td></td>
<td>q 3 The HR policies are regularly updated</td>
</tr>
<tr>
<td></td>
<td>q 16 I find the Personnel department useful and helpful</td>
</tr>
<tr>
<td></td>
<td>q 17 The Personnel Department form an integral part of the team at Tesco</td>
</tr>
<tr>
<td></td>
<td>q 24 I understand the Company’s objectives</td>
</tr>
<tr>
<td>Perceptions of Managers</td>
<td>q 5 My Manager spends time with me regularly</td>
</tr>
<tr>
<td></td>
<td>q 6 I have daily team meetings to discuss the store performance</td>
</tr>
<tr>
<td></td>
<td>q 11 We practice the Company Values with my peers, subordinates and Managers</td>
</tr>
<tr>
<td></td>
<td>q 13 I can always ask for help and advice if I need to</td>
</tr>
<tr>
<td></td>
<td>q 15 My morale is important to my manager</td>
</tr>
<tr>
<td></td>
<td>q 20 I am able to give constructive feedback to my Manager</td>
</tr>
</tbody>
</table>
| Staff Development | q 7 The Steering Wheel is used to outline my performance targets  
|                   | q 8 I have regular Performance Reviews with my Manager  
|                   | q 9 I receive regular training for my job  
|                   | q 12 I find my work interesting  
|                   | q 14 I receive regular feedback on how I am performing  
|                   | q 18 There are opportunities for promotion should I wish to pursue them  
|                   | q 23 I have access to the tools which help me do my job well |

|                      | q 21 We all work as one team  
|                      | q 26 The Managers form good role models for behaviour within the store |

### 3.4.2.1 The Questionnaire Sample

It was the focus of the researcher to ensure that the population of the questionnaire sample was generally quite large in order to provide much rich data to then pursue in greater detail through the interview process. However, as Theitart (2001) suggests, sometime the larger the sample the more problems the researcher faces in analysing the data. The author also strongly proposes that time is taken to ensure the sample is adequate, as some researchers may suffer from ‘post-realisation’ that their sample was either too large, too little or merely insufficient after the event, which can present issues with data analysis later.

Within quantitative research it is the purpose of the researcher to ensure that the sample reflects the magnitude of the effect that the researcher is hoping to achieve and ultimately
to reduce the sampling error, as determined by DePaulo (2000). Such a sampling error can be presented as (+/- 3% variation for N=1000) in a quantitative estimate (Saunders et al. 2003). Within the context of this study, the sample was obtained by collating a specific percentage from each part of the population across the lower three levels of the company structure in Malaysia. This also included gaining information about accessing Head Office, Distribution and Stores within the sample, which is elaborated further in an earlier section of this chapter. Tables 3.5, 3.6 and 3.7 highlight the summary of the demographical data of the questionnaire sample obtained.

### Table 3.5
Demographics of the questionnaire sample

<table>
<thead>
<tr>
<th>Respondent Type</th>
<th>Participants (n=157)</th>
<th>Level in company</th>
<th>Gender</th>
<th>Contract Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SS</td>
<td>C</td>
<td>CM</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>31</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Percent</td>
<td>55</td>
<td>35</td>
<td>3.4</td>
<td>5.5</td>
</tr>
</tbody>
</table>

### Table 3.6
Participants Length of Service

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Participants (n=157)</th>
<th>Male</th>
<th>Female</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of respondents</td>
<td>%</td>
<td>No of respondents</td>
<td>%</td>
</tr>
<tr>
<td>0-1</td>
<td>6</td>
<td>6.5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Age Group</td>
<td>Male Frequency</td>
<td>Male %</td>
<td>Female Frequency</td>
<td>Female %</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------</td>
<td>--------</td>
<td>------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Less than 20</td>
<td>1</td>
<td>0.9</td>
<td>5</td>
<td>9.8</td>
</tr>
<tr>
<td>20-29</td>
<td>2</td>
<td>1.8</td>
<td>17</td>
<td>33.3</td>
</tr>
<tr>
<td>30-39</td>
<td>83</td>
<td>78.4</td>
<td>29</td>
<td>56.9</td>
</tr>
<tr>
<td>40-49</td>
<td>20</td>
<td>18.9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>50+</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>106</td>
<td>100</td>
<td>51</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3.7 Participants by Age Group

3.4.3 Interviews – Design and Administration

The interview process of data collection was selected as this will enable the researcher to collate information and identify issues that would not be discovered through other research.
methods. This part of the study aims to investigate the organisational inertia of Tesco Stores PLC in both the UK and Malaysia. Semi-structured interviews will be employed to examine the comparative nature of managerial views in terms of HRM policy and practices adopted between the parent company based in the UK and the subsidiary operating in Malaysia, specifically managerial objectives and functions, recruitment and selection, performance-based systems, communication processes, HRM policies and distribution of these associated with the company strategy throughout the sites.

The purpose of the interviews is to gain an understanding of how the documented HRM policies administered through the central office work in reality in local stores in both countries. In order to gauge an understanding of this penetration of policy, it is necessary to gain employee feedback and perspective on such processes. This approach also allows the researcher to investigate issues and discrepancies through the adoption of the probing technique of questioning and acquiring employee interpretations and experiences first hand. This will add value and depth to the study, as the researcher can identify new lines of enquiry which may not have arisen through more formal methods of data collection. This method can also alleviate any insecurities about confidentiality that the participant may have, as it allows a two-way process of questioning to occur, thus alleviating anxieties and concerns (Saunders et al., 2003).

3.4.3.0 The interview design

As is common with quantitative research design, there are also a number of methods which may be adopted to gain a rich and thick data collection for investigational research (Creswell, 2007). The interview design can comprise of three approaches according to Gall, Gall and Borg (2003). These are informal conversational interview, general interview guide approach, and the standardised open-ended interview.
Firstly, the informal conversational interview lends itself ‘entirely to the spontaneous generation of questions in a natural interaction typically one that occurs as part of on-going participant observation fieldwork’ (Gall, Gall and Borg, 2003). This approach to interviewing is an unstructured method for obtaining information through immersion in the environment as an active participant. The process of witnessing and experiencing are key and there are no specific questions (McNamara, 2008), as the structure is led predominantly through the experiences ‘in the moment’ (Turner, 2010). The concerns with such an approach are the lack of structure and formally-led questions, which can take the interview away from the proposed subject of investigation.

The second approach to interviewing is the general interview guide approach. This approach is more structured and follows a process where questions are posed in an order. However, there is still a great deal of room for flexibility within this approach, as the foundation of this process is the manner in which the questions are posed by the researcher. This ultimately may lead to many concerns and discrepancies, as one question to one participant may be posed to a different participant in a different manner leading to an entirely different response, although the question is the same (McNamara, 2008). The researcher is key within this approach and, although there may be much preparation carried out before the interview takes place, the approach and perception of the interview questions with different candidates can lead to some inconsistent results.

Finally, the standardised open-ended interview approach is vastly different from the previous two approaches to interviewing as it is based on the structure of the questions. The participants are asked the same identical questions but in such a manner that their response maybe open ended (Turner, 2010). The benefit of this approach is that the participants have the opportunity to give as much detail as they wish in terms of their response, which permits the interviewer to follow-up with probing and explorative questioning. This method allows the participants to express their views and experiences in their entirety. A concern with this process is that the coding of the results can be difficult as
there will be a volume of data, thus it will be a challenge to identify specific and related themes throughout.

It would be naïve not to assume that there are, of course, some negative aspects to carrying out interviews in general for research purposes. The main concern is clearly interview bias (Turner, 2010). The information collated in using the interview method is also open to interpretation by the researcher themselves and, therefore, this can distort the representation of some views. The researcher can impose their own views on respondents, which can be misrepresented due to the characteristics of the researcher, attitude and behaviour (Creswell, 2007).

### 3.4.3.1 The interview sample

It is imperative at this stage that a sample of the participants who are to be interviewed is assessed in terms of providing conclusive data aligned with the study aim and objectives, as seen earlier within this chapter. As already proposed in the earlier discussion about sampling techniques within this chapter, a mixture of the purposive and the snowballing technique will be adopted as the strategy for selecting the interview sample. This is significant, as the purposive method highlights choosing people whose experiences and perspectives are seen as valuable to the line of enquiry, as outlined by Anderson (2004). Authors such as Groening and Streiner (1996) also detail the importance of this method in three categories, as follows: the respondents possess information that others do not have; they represent the full range or extremes of the phenomenon; they are probably the most articulate spokesperson on the subject matter.

The specific reasons for choosing the mix of sample methods is to ensure that accessibility is gained, not on the surface level of the organisation, but within deeper areas in order to allow access to expatriate opinion and experiences. It will also help to gain an understanding
of the penetration of HR throughout the company in a safe environment. Today, it is extremely difficult to gain such access as a student, so the preferred method has been chosen using contacts established through the researcher’s professional field, which have ‘snowballed’ to other areas of the business through recommendations made by existing contacts. This has ensured that senior management have been reached as well as key HR personnel, who are responsible for policy making at the central department based in the UK.

3.4.3.2 The Participants

The participants of this study were both male and female and were also individuals who were working as either Store Managers or at Work Level 3 for Tesco PLC in Malaysia. The individuals were selected through the use of the snowballing sample method, both for accessibility purposes and also to ensure inclusivity of expatriates from the UK. The decision to interview at such a senior management level was taken to ensure that the participants had the experience and breadth of knowledge about Tesco PLC but also of working externally to the parent company.

For the purpose of clarity and as a means of quotation reference throughout this study, Table 3.8 below provides a summary profile of the participants.

<table>
<thead>
<tr>
<th>Table 3-8 Summary Profile of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interviewee 1</strong></td>
</tr>
<tr>
<td><strong>Interviewee 2</strong></td>
</tr>
<tr>
<td>Interviewee</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
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<tr>
<td>6</td>
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<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>Interviewee 11</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Interviewee 12</td>
</tr>
<tr>
<td>Interviewee 13</td>
</tr>
<tr>
<td>Interviewee 14</td>
</tr>
<tr>
<td>Interviewee 15</td>
</tr>
<tr>
<td>Interviewee 16</td>
</tr>
<tr>
<td>Interviewee 17</td>
</tr>
<tr>
<td>Interviewee 18</td>
</tr>
<tr>
<td>Interviewee 19</td>
</tr>
<tr>
<td>Interviewee</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>21</td>
</tr>
<tr>
<td>22</td>
</tr>
<tr>
<td>23</td>
</tr>
<tr>
<td>27</td>
</tr>
<tr>
<td>28</td>
</tr>
<tr>
<td>Interviewee</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>29</td>
</tr>
<tr>
<td>30</td>
</tr>
<tr>
<td>31</td>
</tr>
<tr>
<td>32</td>
</tr>
<tr>
<td>33</td>
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<tr>
<td>34</td>
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<tr>
<td>35</td>
</tr>
<tr>
<td>37</td>
</tr>
<tr>
<td>38</td>
</tr>
</tbody>
</table>
For the purpose of analysis and further discussion in terms of this demographic profile, it is essential to the study that the participants are referred to by using a code of reference. Each interviewee will be referred to as ‘interviewee’ and will be followed by a designated number. Additionally, assigned to each interviewee there will be the code of gender, so either M indicating Male or F indicating Female will be used.

### 3.4.3.2 Demographic Profile of Interview Participants

As can be seen from the table outlining the demographic profiles of the interviewees, there are already some correlations which can be drawn and which are also significant in terms of this study. As such, it is imperative that these similarities are highlighted in the following section.

The next section will highlight to the reader information about the participants in terms of sex, age, gender, marital status, level within the Tesco hierarchy and length of service. This information is included within this study in order to provide some clarity in terms of who the interview participants are and their general characteristics. It is not the intention of the researcher to provide any statistical information or analysis based on this section as this is not the purpose of this specific study.
Table 3.9 shows that the interview participants are predominantly aged 40-49 at 84.2% of the sample, which is the total for both genders. When the sample is divided into male and female, there is 71.1% representing males within the 40-49 age range and 13.1% representing females within the same age bracket. Additionally, the second most populated age range is 30-39 with 15.8% of males represented here. There are no females representing any of the other age ranges as presented within this table.

Table 3.10 illustrated below shows the interview sample population and the percentage of males and females. From this table it can be seen that 86.6% of the sample are male with 13.1% populated by females.
Table 3.11, the interview sample is divided into marital status. As can be seen here, the most populated section is the ‘married’ section being represented by 84.2% of men and 10.5% of women. Other sections within the population are illustrated by 2.6% of the interview sample being single respectively for men and women, while Divorced and Widow(er) are not represented here at all. That said, it can be noted from the demographic profile that there is one male who was divorced, yet as he has since remarried his statistic has been placed in the married section, which is representative of 2.6% of the male population.

<table>
<thead>
<tr>
<th>By marital status</th>
<th>Participants (n=38)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Single</td>
<td>1</td>
</tr>
<tr>
<td>Married</td>
<td>32</td>
</tr>
<tr>
<td>Divorced</td>
<td>0</td>
</tr>
</tbody>
</table>
Table 3.12 below illustrates the interview sample population by their length of service with Tesco PLC. As can be seen, the length of service for this population is very high, with the majority of staff having worked for the company for over 10 years and under 26 years. This section is further represented by the male population with 7.9% of their service being 11-15 years. The men also represent 28.9% of their service as being 16-27 years with a further 21% over 27 years of service.

By contrast, the female population is represented by 5.3% for 1-5 years of service and then a further 2.6% respectively for 6-15 years of service. The females are also represented with over 27 years of service at 2.6%.
The final table in this section (Table 3.13) highlights the participant’s position within the Tesco PLC hierarchy, i.e. on a level 1-5, as level 6 is not represented outside of the UK. The most populated management level within this interview sample is level 3, which represents management of an operating unit or, in this case, is a population of store managers at 97.4% of the total population. When this is broken down, we see that men represent 84.2% and women 13.2% at level 3. A further 2.6% of the total population is represented by men at 2.6% for level 4 and 2.6% of women also.

### Table 3-13 Participant’s Position within the Management Structure

<table>
<thead>
<tr>
<th>By position within management structure</th>
<th>Participants (n=38)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Totals</td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
</tr>
<tr>
<td>Level 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Level 2</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Level 3</td>
<td>32</td>
<td>5</td>
<td>37</td>
<td>84.2</td>
<td>13.2</td>
<td>97.4</td>
</tr>
<tr>
<td>Level 4</td>
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<td>1</td>
<td>2.6</td>
<td>0</td>
<td>2.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>27+</th>
<th>8</th>
<th>21.0</th>
<th>1</th>
<th>2.6</th>
<th>9</th>
<th>23.6</th>
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<tbody>
<tr>
<td>Totals</td>
<td>33</td>
<td>86.7</td>
<td>5</td>
<td>13.1</td>
<td>38</td>
<td>100</td>
</tr>
</tbody>
</table>

The final table in this section (Table 3.13) highlights the participant’s position within the Tesco PLC hierarchy, i.e. on a level 1-5, as level 6 is not represented outside of the UK. The most populated management level within this interview sample is level 3, which represents management of an operating unit or, in this case, is a population of store managers at 97.4% of the total population. When this is broken down, we see that men represent 84.2% and women 13.2% at level 3. A further 2.6% of the total population is represented by men at 2.6% for level 4 and 2.6% of women also.
1.4.3.3 The interview procedure

Initially, 60 interviews were scheduled as part of the fieldwork exercise. It was planned by the researcher that the interviews would be able to take place within a small timeframe of three weeks. However, after the interview schedule had been drawn up, it became apparent to the researcher that, as the majority of the sample were Store Managers and expatriates from the UK, the accessibility of carrying out the interviews within such a short timescale may be problematic. As a result, the researcher tailored the schedule to suit the needs of the Store Managers so that they could readily be available and plan the time out of their working days in order to participate in the study.

The interviews were all carried out on a one-to-one basis between the researcher and the interviewee. The interviews were all conducted via Skype as this appeared to be mutually convenient for both parties. The length of the interviews varied from one hour to one and a half hours, although the interview outline followed by the researcher was identical, as can be seen in Figure 3.6.

Figure 3.6 Interview Outline

<table>
<thead>
<tr>
<th>Level 5</th>
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<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>33</td>
<td>86.8</td>
<td>5</td>
<td>13.2</td>
<td>38</td>
<td>100</td>
</tr>
</tbody>
</table>

Examining how Human Resource Management policies and practices are transferred within a Multinational Company. The Case Study of Tesco PLC.
Part One: Opening and Introduction

- Explain who you are and what you are doing
- Purpose of the interview
- Ensure anonymity of candidate
- Explain interview structure; subject area, how many questions approximately, need to seek further information by clarifying answers
- Timing; proposed time it will take
- Recording; necessity to record and permission to do so from candidate to avoid misinterpretation and missing key points
- Contact details; to enable any follow-up work/questions

Part Two: The Interview Questions

1. As part of the team at Tesco PLC, how well in your opinion is the People Quadrant managed?

- Performance Management practices, Development opportunities, Training needs analysis, Communication tools; assess other HR policies frequently used
- Monitoring systems – effectively used?
- Managers’ accountability locally versus Head Office influences

2. Many organisations have developed Company Values and Codes of Practice to ensure staff have a guideline for behaviours within the workplace. Do you think the Tesco Values are consistent?

- Assess how well the corporate values work in practice; accessibility of Grievance and Disciplinary procedures
- What influence do values have over the other HR policies
- Monitoring systems/How does Head Office influence this practice?
3. Within Tesco there is a framework that is used to formulate and process all operations, namely the Steering Wheel. This is often adapted at store level to facilitate local needs of both staff and customers. What are your views of the Steering Wheel? How have you been involved in its adaptation?

- Is the Steering Wheel a useful tool; overused, too structured?
- Does it provide a framework for all as guidance or a managerial tool?
- How is it used on a daily basis/local level?
- What influence does Head Office have on the use of the Steering Wheel?

- Part Three: Conclusions

Ascertaining any other information relevant to this study regarding the people management at Tesco Stores PLC.

3.5 Summary

This chapter has outlined the relevant research design and the methodology to address the identified research purpose, which aims to examine the organisational framework of Human Resource Management within the UK and Malaysia. It has a particular focus on how the parent and host company interact to shape the process and delivery of HRM policy development to meet with the challenges of improving the working environment for staff.

The case study approach resulted from the requirement to meet the research aim, which will allow the researcher to gain richer data through utilising a one-case approach. This will permit a deeper investigation of issues that appear limited within the academic literature. The researcher also acknowledges the challenges of using a one-case approach, namely the issue of generalisation.
The two research methods were identified as being a questionnaire and semi-structured interview. The organisational documentation was examined as part of the methodology section to seek out any differences between the UK and Malaysia, whereby a singular approach was identified. Within this chapter, consideration was given to ethical concerns and accessibility of the case organisation prior to conducting the fieldwork. The next chapter will present the analysis of the qualitative findings.

Chapter 4 Findings (1): A Qualitative Analysis of the Interview Transcripts

4.1 Introduction

Within the last chapter, the chosen methods for data collection were discussed. This chapter provides the first section of the findings based on a qualitative analysis. This data was collated using semi-structured interviews. The next chapter will provide the quantitative findings from the questionnaire-collated data. At this stage, it is worth noting that the questionnaires were disseminated in such a technological format that the researcher had little involvement with the respondents. Hence, this provides the previous section of the research with a clear segregation between the researcher and, indeed, the ‘objects’ which were investigated (Dunne et al. 2005).
By contrast, this chapter will provide an insight into the study based on a qualitative data analysis of the results deriving from interview transcripts. Such transcripts were taken from 38 respondents as presented in Chapter 3 of this thesis. This part of the study was deemed as a necessity from the researcher’s perspective as can be derived from the discussion in Chapter 4. The organisational documents of Tesco PLC presented findings that were conducive with a convergent HRM approach to all sites within the Tesco portfolio; however, what the researcher wanted to pursue further was the issues and variances that occur for the people within Tesco when such a uniform approach is taken with regard to the transferral of HR policy and practice throughout the MNC. This data can only be gathered through direct contact with the participants, gathering data on a first-hand approach with those who have had direct exposure to this method of operating within the MNC. This form of data collection also enabled the researcher to gain access to the world in which these employees live (Holstein and Gubrium, 2003).

The interview questions were formulated using an open format in which the interviewees were asked to comment openly on the transferral of HRM practices within Tesco PLC. As can be seen from the demographics presented in the earlier chapters, there is a large percentage of interviewees who have experience of working in the UK for Tesco as well as in Malaysia. This platform has enabled the researcher to draw upon their experiences and, within this section, the researcher will present the views of the interviewees under the identified themes outlined in the first chapter of the findings. These themes are Strategic Human Resource Management, Performance Management, Communication, Staff Development and Training, Organisational Shared Values. This section will also aim to answer directly the third research question posed in the methodology section, ‘To investigate how HRM is perceived by managers throughout the company’. As such, the themes and verbatim quotes are presented in the following section.

4.1.2 Strategic Human Resource Management
Under the theme of Strategic Human Resource Management, there was a diverse set of reactions to the questions posed. That said, it was also clearly apparent that, even though all the interviewees specifically understood the benefits of following the defined ‘one’ approach to the HR strategy within Tesco through the People Quadrant part of the company Steering Wheel, there were some clearly marked views about its practicality at Tesco sites located outside of the UK. Additionally, another notable view was the way in which the managers interpreted the prescriptive approach to the People Quadrant, depending upon where they were operating and with whom.

‘The People Quadrant within Tesco is the sole reason for the success of all Tesco stores and, in satisfying our staff in this way and through such a structured formula, our customers are in turn satisfied and happy with how we deliver their expectations. However, in reality in the UK the laws and structures around employees in the workplace are very rigid and direct so these support the way in which Tesco operates the people quad, and this is where the problem begins as this is not the case when you set up in another country.’ Interviewee 4

When an examination of the company documents was facilitated within Chapter 3, it is clear to see how structured the company approach is towards the people strategy within Tesco. This is apparent across the locations in terms of the UK versus Malaysia. Yet, the views of the managers here express that this ‘rigid’ approach to the people function cannot be maintained outside of the UK as the legislation and way of life of the native people does not support such an approach. Therefore, although there is no means for changing or redesigning the approach to the strategy, what presented itself here was the need to change and develop the mode and method of delivery of such a strategy to complement those lifestyles and local ways of working.

‘I fully understand the Tesco Way and the need for it, however when you’re here trying to launch a store and get the people behind you it’s imperative that you
work in a way that they understand and feel comfortable with. It’s not just about giving what Tesco want you to give in terms of following a set of rules; as a manager you have to have the authority to bend these rules to get the people working with you.’ Interviewee 5

‘I’ve got loads of experience of managing shops for Tesco and you could say that it’s in my blood, so I know that the people quad does work and deliver. I also know that people will only deliver for you if they understand what it is you are trying to do and why, so it’s essential that you manage the people quad with the locals’ expectations and adapt to how they work.’ Interviewee 1

‘There are some great people out here and they want to do their best for you, but sometimes the Tesco Way is limited so it is a need rather than a choice to move away from convention and operate in a way which is more conducive with local life out here.’ Interviewee 9

Although it is clearly recognised that the prescribed method of working and following the guidance of the people quadrant has positive effects within Tesco PLC, these views clearly present the need to interpret the people strategy in a localised manner in order to gain the support of the local people. It is also worthy of note here how this adaptation to the local people works in reality; also, how the managers move away from such controlled directives yet still operate within this one approach strategy.

‘When I first moved out here I was determined that I would stick to the objective of managing people as I had done in the years of working within stores in the UK. This worked for about a week and then I started to wonder why people weren’t getting on board with me. I felt like I was the one always giving orders, yet this isn’t how it works in the U.K.’ Interviewee 12
‘I changed my approach and instead of being blinkered in my outlook started to speak to the locals and my team and ask them about how things work here. From there on in, yes you could say we follow the people quadrant but it’s done in our own way and everyone seems happy with that.’ Interviewee 11

‘I’d been sent out here to work on a project of launching five new stores over a three-year period which was a secondment for me with the premise that, on my return, I’d be promoted in the UK. I thought this would be an easy task as I had all the tools I needed. I was clear of what and how Tesco works and so this would be a good and stress-free experience for me. This didn’t work out like I’d planned and maybe that’s just it, I didn’t plan. I assumed things would work the same as in the UK as the processes are all the same.’ Interviewee 10

An interesting point to note here is also how the interviewees appear to have the assumption that, as the processes were the same, then the delivery of them would also work out well. This presents a bigger issue of what preparation these expatriates had prior to relocating and whether there were any formal training or support mechanisms to help with the expatriation process. After all, it is clear within Chapter 3 that Tesco has a robust approach to all staff training. Or, is it a given that managers at this level should not require additional training on the people quadrant as the approach is the same throughout all the sites?

‘Tesco is very supportive of its staff and as a manager that is no different. When I was offered the position in Malaysia I had to attend a three-month training plan where we’d look at the locations of sites, demographics of the stores and our understanding of objectives whilst we were out there. Yet, as senior managers for Tesco we didn’t really look at how we’d deliver the Steering Wheel as this is the same as the UK.’ Interviewee 8
'We had a three-month individual training plan and we identified our own needs in terms of what we knew about Malaysia and Tesco out here and were also given a buddy who we could liaise with once we arrived. I only met mine once as they were too far away from where I was.' Interviewee 23

As can be seen, it is clear that Tesco does provide training and this is tailored to the individual. Yet, from these interviewees it appears to be an emergent theme that the training plan is designed by the individual assessing their own needs. However, at what point does one’s training needs incorporate the experiences of others and how does the individual learn to know what they need to know?

Tesco provides a ‘buddy’ system to support new expatriates to the area. Yet, as was expressly pointed out here:

‘The buddy system works to a point whereby the buddy in my experience phoned me up a couple of times. But then the day to day operations of the store take over and you don’t really have time to check if your buddy is ok. So I guess it doesn’t work in reality.’ Interviewee 21

In terms of the People Quadrant, Tesco Managers have highlighted their own experiences of the universal approach and the need to deviate and develop around the quadrant their own delivery methods to ensure success within their stores. They were also clear to divulge on this diversification and be specific about some of the issues they found. As explained in the previous chapter, the people quadrant is divided clearly into absenteeism rate, staff turnover rate, manager vacancies, a sign on/sign off options programme, basic staff training, viewpoint, and the community. For each of these segments, there are specific HR processes attached to ensure that the targets within these are delivered successfully. The managers interviewed here elaborated on how they have uniquely developed their approaches to the
people quadrant by segment. The first sets of views have been collated under the Absence Management process.

4.1.2.1 The Absence Management Process

‘The people quadrant is an excellent tool, no question. That said, it was nigh on impossible to implement the processes attached to it.’ Interviewee 14

‘I took over from a previous manager in a store and we had a high rate of absenteeism at nearly 10%. My first thoughts were to retrain the managers on the Tesco Return to Work policy and ensure that all staff who were going to be absent contacted a manager in the store giving the reason and length of time expected to be off. The other process was to inform the staff that they would not be paid for the first three days of their absence. Sadly, after two weeks of this process being implemented we had a problem with retention as well.’ Interviewee 19

‘I urged managers in my store to ensure that staff were interviewed on returning to work. We had a member of staff who was so petrified to sit down in a room with a manager following a period of sickness that she spent an eight-hour shift hiding in a toilet.’ Interviewee 20

‘I ensured that I personally retrained all my managers in my shop on how to carry out a Return to Work interview. When I asked one of my managers if I could sit on an interview to give them feedback they were very happy, yet when it came to the time to do so I found that she had resigned as she felt she had disappointed me as I wanted to check her work.’ Interviewee 16
It is apparent here that there are some cultural differences in expectations and the ways in which employees work between the UK and Malaysia. It is clear that the employees, whether they are staff or managers within a store, are not used to the abrasive and somewhat confrontational approach that appears to be taken in handling absences in the workplace. Another comment here would be to suggest that the two-way process of management style is not widely used within such a culture, either. From the last quotation, the manager was keen to become involved and give some constructive feedback to the manager, or even praise their work and use it as an example of good practice, yet this was not received in such a manner. From the earlier comment also stating that retention was an issue within the direct approach taken, instead of questioning this approach or seeking guidance on the absence management process, the staff would rather leave. Another point here from a UK perspective is that Managers clearly value staff loyalty, hence why staff turnover is a key performance indicator on the people quadrant. Yet, the same emphasis is not placed on such loyalty as expressed within these views.

A number of Store Managers who were interviewed also expressed how they had developed their own approaches around the Absence Management process.

‘I took parts of the process which I felt would add value and some form of regulation to my store. The other parts of the process I left out as I felt they’d cause more damage than good. At the end of the day, isn’t that what Tesco pay me for, to use my own discretion to make things work to deliver profit?’

Interviewee 30

‘I found that getting staff to call the store three hours before their absence was unreasonable for most, so removed it from the policy. I also changed the wording of the Return to Work interview to ensure that staff were updated on things
they’d missed rather than being interrogated on why they were off... this showed them that we cared.’ Interviewee 13

‘I thought that there was a lot of paperwork involved with just one member of staff being off, so looked at how this could be reduced and take some of the load off the managers. Now we have one sheet per person outlining the reason for absence and if there was anything we could do to help them.’ Interviewee 24

‘I worked in quite a remote store in comparison to some of the other Tesco stores when I first arrived, so I removed the policy which stated that each member of staff had to phone in and just made it clear that, out of courtesy, staff should let us know by any means if they weren’t able to make their shift. As a result, we had a shelf stacker’s grandma come in and offer to work for his shift.’ Interviewee 8

These interviewees demonstrate that the managers have had to adapt and be flexible within the absence management process. They have also alluded that there is still the need for such a policy, yet how and when this is delivered works on their own discretion. Another question raised here is whether or not the store managers feel that this policy is valuable or whether they are still trying to pursue the universal approach.

The view of those in the HR department is also of significance here, as they work as part of the wider Tesco team to ensure that standards of policies and practices are adhered to accurately.

‘We appreciate that from time to time the methods used to ensure that the absence process is delivered consistently are diversified. Yet, as a whole we are
confident within our stores and operations in Malaysia that any changes are discussed on a consultative basis with the HR team.’ Interviewee 26

‘Of course we try and ensure that the approaches to absence are consistent in our stores to present a cohesive image to our staff should they move between sites, as well as to the customer in that we deliver a uniform approach as Tesco HO would want.’ Interviewee 24

‘From time to time we have appeals and complaints about how we manage our staff, so it is imperative that we do this consistently following the processes laid out in the Tesco People Quadrant.’ Interviewee 25

Here, it can be seen that HR are cognisant that they need to provide a consistent approach to the policies and practices within Tesco, not only to provide a cohesive approach to the policies set out by the Steering Wheel and parent company, but also to ensure that their staff are treated in a consistent manner in order to avoid complaints. It is not clear from these remarks, however, which of the two is the driving force here and where the emphasis lies. That said, it is clear from these comments that stores should be practising a standard approach to policy that shows a contradiction to those managers policing the policies in their stores; that the stores should be clearly adapting processes to ensure staff are aware and, more importantly, ‘onboard’ with such policies. Another view apparent here, which provides a contrast in opinion, is that the focus seems to be from the HR department on consistency and one approach to reduce the opportunity for complaint; yet, from the store managers’ perspective, the viewpoint appears to be on providing staff with workable policies that support them in their daily jobs, to maintain their loyalty and positive work attitude with the company.
4.1.2.2 The Staff Turnover

The staff turnover rate forms an integral part of the people quadrant and, overall, the core purpose of the Tesco strategy, which is to ensure that people are happy within their place of work and that they find their work interesting, as underlined in the Staff Morale Survey Viewpoint. As with most of the Steering Wheel measures, they do not operate solely on targets placed within a segment, but they are influenced heavily by a number of other policies such as Staff Morale, Absence Management, Performance Appraisal and Staff Training.

Here, the managers’ views are elicited on how this part of the people quadrant is managed in store, as well as the emphasis placed on this part of the people strategy.

‘Staff turnover was a key driver for me in the stores I’ve managed in the UK and it is important here, but less focus is placed on preventing staff from leaving. The view is very much about if they leave then they aren’t part of our team, so let them go and let’s focus on those who want to be here.’ Interviewee 35

‘My belief has always been that staff are important to our overall success, yet we don’t have the same loyalty over here; maybe it’s because we’re not a national company, but an outsider.’ Interviewee 38

‘Staff are important and the cost of identifying staff and training them to the Tesco Way is a priority, yet work systems are different in Malaysia compared to the UK. Given the nature of food retail we don’t always have the time to spend in formal training programmes and getting staff up to speed with our standards, so sometimes they can be at an interview one day and filling up on the shop floor...’
the day after. The thing with this is that none of the locals expect any different. Sometimes you think, well let’s just get the people in and get the shop open for business.’ Interviewee 20

‘I want all my staff in store to enjoy work and I know them all by name, but I must admit this relationship is difficult to get started as culturally employees are not as open and they feel uncomfortable talking to me about their homes and family on such a relaxed basis and often feel intimidated and think I’m trying to find out new things about them. I’ve had a couple of staff leave after sharing a break time with them and chatting about their home life. This takes some getting used to.’ Interviewee 30

It can be observed here that Tesco managers are bred within a culture where being informal works with staff; sharing polite conversation and familiarising themselves with their staff buys them some loyalty. However, these views present that staff within stores in Malaysia find such an informal approach as a management style unnerving and, as a result, become reluctant to share such an informal setting with their managers. Another point of interest here is that the manager quote within this section highlighted that Tesco may be perceived as an ‘outsider’, yet it is questionable whether he perceives the company as an outsider here or indeed himself.

To pursue the segment of staff retention further, the interviewees elaborated on how the processes surrounding this policy worked in their own stores and, specifically, the successes of the policy.

‘I generally try and use the processes which are used in the UK, however circumstance and the environment out here prevent us from following up accurately on some of the paperwork. If I can give an example, in the UK we
carry out Exit Interviews on the receipt of an employee’s notice, yet out here we
tend to get employees not working their notice or not even informing us of when
they’ve left, so you can imagine the problem.’ Interviewee 24

‘The process is great in the UK, but in Malaysia I tend to just use this formal
approach for managers who are leaving and I always try my best to keep hold of
these, so I guess you could say I don’t enforce this part of the people quad at all.’
Interviewee 15

‘I mean you’re talking here about using such a structured policy for people who
just want to come in, do a bit of shelf filling or sit on a till for a few hours and
then, when they get a better offer, they leave. So no, I don’t tend to follow the
policy.’ Interviewee 12

‘We’ve had some great members of staff and who enjoy being here but they
don’t seem to have the same work ethic in the UK, so trying to police this in the
same way just doesn’t work, so we’ve adapted this for our own store.’
Interviewee 4

Evidently, there are many comments which suggest that the UK policy on staff retention is
accurate and works efficiently; yet, as these views express, adapting this policy to fit locally
has been more of a challenge. One of the key performance indicators within the people
quadrant is to understand why specific stores lose staff and so tracking these views of
exiting staff is important; yet, in an environment where this process is not the norm and
where staff just up and leave on the promise of a better job, it is not surprising to see that
these store managers talk loosely of following such a process in store. There were many
comments supporting the documentation of those leaving but, again, this commentary was
isolated to tracking numbers as opposed to tracking qualitative information gathered
through interviewing staff and carrying out more formal methods such as Exit Interviews and longer periods of notice.

From the views collated here, it is apparent that the managers understand and appreciate that staff and their loyalty are important success factors for their own stores, but also for the company as a whole. That said, these views present unclear evidence of the process as provided through these commentaries. There is clearly a need to look after staff, but here the one approach fits all is clearly not achievable.

Another interesting observation is the level of skill involved within the job roles on offer in store. Predominantly, the jobs in a store require such skills that can be provided on site such as shelf stacking, cashier work, packing and unloading deliveries, so it may be apparent that this is linked to the level of emphasis placed on staff retention and how supermarket jobs are perceived as a whole within the Malaysian society. This may also go some way to providing an explanation as to the emphasis placed on giving and serving notice by the employees themselves.

‘I spoke to one guy when I was on the shop floor and said that I understood that he was thinking of leaving and would he come back in at the end of his shift so I could have a chat to him in more detail. At the end of his shift, I waited only to find out that he’d left ten minutes earlier as he thought I was going to call the Police because I’d been so unhappy with his work, yet he didn’t actually formally resign.’ Interviewee 13

‘When we have held open days to attract staff to a new store, the turnout from locals has been quite poor. I had a conversation with one family who said that they would come and work for Tesco, but when I said they would need an interview they simply laughed and said “for a shop job?”’ Interviewee 19
‘I think that staff when they start with us aren’t sure of who we are and what we do in terms of long-term employability, yet we’ve had several managers who have developed and become successes.’ Interviewee 21

‘Staff are an incredibly important part of what we do at Tesco. However, the problem in the store that I manage here is keeping hold of them. I’ve tried to stick to the company remit, yet it just isn’t always practical to spend hours training staff to do a job that you know in a couple of months they’re gonna quit. You see, when we open a store in the UK we send new staff, whether they’re cashiers, shop floor or night staff, to another store to get them to work alongside others who are already doing the job, but here we can’t do that as the geographical distances are too great and we simply can’t afford to invest to such lengths when they’re unlikely to stay with us.’ Interviewee 12

The latter comments provide an insight into an even bigger concern, which may give an insight into the perceptions of Tesco by staff and highlight why retention of staff appears to be a concern.

4.1.2.3 Basic Staff Training

As can be seen through the interview dialogue thus far, the emphasis on the people quadrant is clearly driven by the store manager and their team of managers within the store. That said, a number of views were expressed from the HR team operating within Malaysia and, interestingly, their views focused on the need for timely and appropriate staff training. An even more influential point is the fact that, on the Steering Wheel for Malaysia, although the wording exactly reflects the same as the UK Steering Wheel, under the heading of staff training it is named ‘basic staff training’, with the implication that on the job training is a measure.
‘Training at all levels throughout our operation is of paramount importance to our vision and strategic operation. We place a tremendous amount of focus on our staff and ensuring that they are well looked after and that their jobs are interesting to them, which will ensure that they choose a long-term career with us. From the point of induction we invest in our staff and ensure that they have the right tools to do their job. We ensure that they meet their manager before starting with us so that they are already developing a positive relationship and have the confidence to work well within their department. Long-term training is also a priority whereby each member of staff has a work plan, which is updated at their annual performance appraisal. All staff have the opportunity to develop and move between locations and roles if they achieve their development plans.’

Interviewee 25

This commentary is an inspirational standpoint from a member of the HR team. Yet, it is clearly of interest to see to what extent such a vision works in reality and, moreover, at store level.

‘All staff are given training from the outset. We have targets to achieve to ensure that when they are trained in basic duties to perform their job that this training is signed off on a training card. At their next appraisal this training is reviewed and a refresher is also given, particularly if they are working within a hazardous area of the store. All staff also receive some basic training annually such as customer service, health and safety and food hygiene. We generally meet our targets.’ Interviewee 7

‘The basic training is a given, a must do and not a choice really as it protects both the staff and the managers in a safe environment.’ Interviewee 15
‘The basic training is a clear set of tasks which are scheduled every month and, once completed, we meet our training targets.’ Interviewee 22

The comments received around the Steering Wheel measure highlighting ‘basic training’ were looked upon as being favourable and an area which most agreed was non-negotiable, as much of the training involved safety and hygiene for both staff and customers. However, although the comments were favourable, the researcher at this point did want to pursue how easy it was to achieve the measure and how these members of staff were trained specifically.

‘The checkouts are the most difficult to get trained as we struggle to get them off the tills, particularly in busy periods. The way we have learnt to manage this is to pay overtime for staff to come in earlier or stay later and then we can train them.’ Interviewee 18

‘I’ve found that it’s easier to train in bulk, if that makes sense? I tend to plan the training quarterly and then arrange for large numbers of staff to come in when we’re either closed or in the evening.’ Interviewee 6

‘The biggest issue I’ve had with achieving targets with training is paying for additional staff to come in at other times when I was in the UK. However, in Malaysia the wages budgets are larger and flexed differently as we don’t work around the heavy seasonal period as we do in the UK. We also receive a new store budget for training which helps.’ Interviewee 11

It can be perceived here that the differences in culture and, specifically, religious festivals do have an influence over the way in which business is managed. This manager is clearly
alluding to the fact that, because Christmas is not celebrated here, the wages budgets are more evenly spread over the year, given an even approach to training initiatives in this case.

As can be deduced, the basic training appears to be disseminated in a proactive and consistent way throughout those stores that participated within this study. It is now of interest to discover to what extent the policies on staff development and promotional activities to support staff wishing to move vertically up the management structure are supported.

4.1.2.4 Staff Development – The Options Programme

The Options programme was developed in the UK to ensure that Tesco PLC had a form of organic growth for their staff and managers. The scheme, as explained in detail in an earlier chapter, was developed to support those wishing to move in some way through the business. The development scheme operates at all levels and across all sites and locations and modes of business. On examination of the organisational documents, it can be seen that the Options programme operates using the same prescribed process in the UK as in Malaysia, so the next set of commentaries will engage the managers with their own views of the Options programme within their stores in Malaysia.

‘Options is a great programme and I was an options trainee myself at numerous points throughout my Tesco career from my early days as a General Assistant through to becoming a Store Manager. So, I guess you could say I’m a great believer in the programme. However, my first-hand experience was in the UK. Now I’m here, I do have two members of staff on the programme hoping to become Department Managers in the next six months but we’ve struggled to train them, particularly with behaviours.’ Interviewee 27
‘Options works well wherever I’ve been in the Company and employees need something to aspire to. I haven’t got anyone on Options currently in this store as it is the behavioural skills that we are trying to develop and this is a problem.’

Interviewee 31

‘I’ve got three trainees in my store at present. All are hoping to become department managers but they must develop in terms of how we operate and give staff feedback. All my trainees have had the perception that being a manager is just simply doing longer hours and more work, so we’ve had to put a lot of emphasis on other factors such as decision making, setting objectives, developing others, strategic thinking, planning and organising and learning how to manage people.’

Interviewee 38

‘The Options programme out here is almost like reprogramming someone to a new way of thinking.’

Interviewee 33

‘We’ve developed an individual store programme for our trainees where they spend a number of weeks with different managers to gain experience, not so much of the departments and products but more about developing and shadowing how each manager operates. We asked the candidates to make a diary of their experiences and take the good and bad management styles that they found and make a note so we could discuss them – this was a challenge.’

Interviewee 6

The issue that is apparent throughout this discussion was not about the capability or potential skill of the options candidate, but more about the development to be a manager
and their perception of what a manager is. As has been expressly explained, Options is an individual programme so the development plan is based around the individual’s needs, although they do attend joint training courses on generic training such as management duties and understanding the day-to-day routines of a manager. However, what is clear here is that the behavioural traits associated with becoming a manager for Tesco PLC are not inherently there in the candidates as they are in the UK.

Another key concern within the development programme for stores in Malaysia was the formulation of networking for existing candidates. Options in the UK have up to 100 members of staff successfully working their way through the programme at any one time, yet from the feedback from store managers in Malaysia the success and applicability of the programme is not held in such high regard. Those who are on the programme travel very little as the distance and clusters between stores are greater. There is less opportunity in terms of travelling and going into either a distribution role or head office as they do not exist in the same capacity as in the UK. Finally, the opportunity to meet like-minded individuals and share problems and develop friendships and mentors for the future is also restricted, as the numbers on the programme at any level are too small to generate off-site workshops and meeting points.

Within the People Quadrant, this section is managed in terms of the number of candidates signed onto Options at any level. For example, if a cashier is signed on to the Options programme, then this will count as one against the store specific target. Store targets for each measure are set by the Store Manager and regional team depending on store size, location and the demographics of the local environment. This is a concern for a number of managers as their own specific performance is managed on how well each segment and, indeed, measure is performing; so, if there is a concern to recruit to the Options programme, then this ultimately could affect their own opportunities and the length of time that they will spend in a location or store size. When the interviewees discussed the Options programme, this measure was a particular concern as there was an obvious concern at how
they could develop and promote more staff when one of the key areas of development was their own behaviours, as well as their understanding of the role as a manager.

‘Options to me is not only about developing staff and moving them upwards through the business, but it is also from a selfish perspective at managing the store when I’m not here. If I go away for a monthly managers’ meeting it normally means travelling and being out of the business for a day or two, and this can be stressful for me as I’m concerned what I’m coming back to as I don’t feel my team is strong enough to leave just yet.’ Interviewee 11

‘I never considered the implications of taking time off or a holiday when I was a store manager in the UK because I had a good team throughout the store and some strong number twos who could take care of things in the short term – I haven’t found this here.’ Interviewee 34

Some of the skills associated with staff development also appeared to concern the managers. As we have already observed, behaviours and the transition between levels was cause for concern, yet there were also some other factors which were presented in discussion.

‘I was running late and got stuck for an in-store meeting where we discuss the stores targets and how the store is performing on a weekly basis. I phoned through to my office and asked the Options trainee to take the figures from my desk and read them out at the meeting. He agreed politely but when I arrived he hadn’t turned up and later explained to one of his colleagues that he couldn’t talk in front of others unless I was present.’ Interviewee 38
This theme was common amongst the managers when discussing the trainees’ general capability. Again, this highlights a cultural difference in that the trainees feel that it is rude or offensive to question or even give feedback to their managers.

‘I had to leave to pick up my parents from the airport and asked my options trainee to explain to the Duty Manager that I would be back later. My trainee nodded politely and she stayed until my return some five hours later, which I had not meant for her to do.’ Interviewee 17

4.1.2.5 Performance Management

Performance management within the Tesco parent company is structured using a series of formal documents and processes in the form of Appraisals, One to One discussions and 360 feedback, which is used for development following on from the appraisal. Within the next set of findings, the interviewees were asked to comment on the Performance Management system as a whole within their particular store, which have been grouped into the three processes that sit under the heading of Performance Management.

The first prompt for the interviewees was around the administration of appraisals with all store staff. The commentary below highlights how the use of parent company documentation has not been widely received in Malaysia. Additionally, for the interviewees seen below, they have developed their own ‘local’ systems to appraise their staff.

‘The appraisal system to be honest doesn’t work for us in this store. The paperwork is great but when I first arrived here I rigorously used the Steering Wheel targets which had been set by department and put pressure on my managers to deliver. After a couple of weeks, when I noticed that appraisals were being carried out in offices, I realised that this was work for us and so called a team meeting to discuss the issues. Mainly, staff just didn't like them. They got
upset, worried and quite stressed about the thought of their manager taking them to the office to discuss how they were “performing”.’ Interviewee 6

‘Well with appraisals we learnt the hard way. I got my managers to be really strict about talking to their staff and giving feedback, but we actually noticed on one department that we started to lose staff. The manager would inform them formally when their appraisal would be and give them the form to complete beforehand and literally we never saw them again.’ Interviewee 17

‘The appraisal system in this store just didn’t take off at all. We tried a number of options such as using the same documents as the UK, trying different locations to administer the appraisal around the store, relaxing the frequency and timescales associated with the Steering Wheel targets, but none of these worked. So now we give staff regular feedback on the job and sign that off on their training records as being appraised. Those staff wanting anything more such as development or training we formalise a Personal Development Plan, but that’s it.’ Interviewee 26

‘Appraisal work in our store. We do appraise and this looks like a quick chat to say “well done” or “how about this can be done better” and that’s it. No formal paperwork. Our Steering Wheel is permanently lit red for this section and I’m happy to justify why because it just doesn’t work out here.’ Interviewee 18

The interviewees are extremely clear that the formality and administration in terms of the appraisal system is not transferable from the parent company. That said, there were a number of comments, listed below, which indicate that, although the rigidity of the system doesn’t work in Malaysia, the concept of praise and identification of employee opportunities for improvement does.
‘As soon as we realised that the formal UK appraisal system wasn’t going to work out here, we left the idea for a couple of months. I got the managers together to try and brainstorm a new approach but again this was problematic as they enjoy being managed from a directive approach. In the end, I told the managers to ensure that once a week they had spoken to every employee in their department and once a month they had ensured that some sort of appraising conversation approach had taken place. This could be a simple “you did that well” or “how about trying this?”’ Interviewee 15

‘The appraisal process for us is really simple; walk around daily, speak to everyone and formally take any employee who wants more or is doing less into a formal situation. So, generally it’s pretty relaxed and everyone seems happy with it.’ Interviewee 33

‘I asked my Personnel Manager to come up with some new ways of ensuring our staff were appraised from a more relaxed approach and so we tried several alternatives to avoid getting a red light on our store Steering Wheel. After a few attempts, we just decided to accept that the UK ways can’t be transferred and do our own thing.’ Interviewee 19

‘Appraisals are great in the UK as employees want the structured approach and to be formal, but that just doesn’t fit here. Malaysians don’t want or even need the paperwork.’ Interviewee 14
The interviewees also commented on differences found between lower ranking staff and managers in terms of the appraisal process. The commentary below highlights some of the key findings within this area.

‘I’d like to point out that managers and general assistants have two entirely different systems in terms of appraisals here. For the general assistants they are given feedback through informal discussions, whilst on the job and for managers from anything higher than a team leader, I do them myself. As Store Manager, I’m the only one they respond to in terms of feedback.’ Interviewee 37

‘We started out managing both staff and employees the same but, to be honest, the managers only want and recognise feedback from me, the Store Manager.’ Interviewee 14

‘I try and speak to all my staff in store regularly and treat them all the same, but the GAs like to hear from their own line managers and all the rest just one, me.’ Interviewee 4

‘I spend a lot of time with my managers anyway, especially on the shop floor, but I do get more from them in terms of motivation if I do their appraisals in my office. It must because they see me as the boss, the head.’ Interviewee 3

‘I’m very hands-on as a manager but in the UK I’d normally only appraise my top team in store, but here I appraise all my managers because that’s what works well.’ Interviewee 6
The next part of the findings is addressed by commentary from the interviewees based around the one-to-one discussions. This section appeared light in terms of commentary as the findings from the earlier appraisal section enlighten the reader that the two are used cohesively to manage performance and gather feedback from employees.

‘I talk to all my staff regularly, so the one-to-ones are a way of life for me.’
Interviewee 27

‘I used and trained all my managers on one to one discussions as this approach works well in the UK. Out here, though, the one-to-one is more like the appraisal so the two work together and not as a separate process.’ Interviewee 9

‘The one-to-one process isn’t really a process, it’s a way of life. We all talk regularly and that works well for us and for our people.’ Interviewee 17

‘The one-to-one process is sound in store, but I try and encourage managers to approach other staff from other departments than their own so that it builds a good in-store network, but this doesn’t always work well as staff just want to talk with their own manager.’ Interviewee 32

The final process that the interviewees commented on was the 360 degree feedback system, which is used for General Assistants, Team Leaders, Department Managers and Deputy and Store Managers to gain feedback about their own behaviours, which can then be used to help them develop in their current job role or for promotion. The comments below highlight the feedback from the interviewees about the process of 360 degree feedback.
‘360 really works in the UK and supports your own behavioural journey, but in Malaysia it just feels wrong. Managers don’t like the feedback if they’re lucky enough to get any from their colleagues and their colleagues don’t like giving it.’ Interviewee 7

‘This is a process that we’ve recently scrapped as it just doesn’t support development. Colleagues are extremely reluctant to give feedback to managers, even though we’ve stressed the importance of anonymity. They’re feared of reprisals, but more than that they just don’t like it.’ Interviewee 14

‘I would actually go so far to say that I haven’t even attempted to use this in my store, although my director is keen for me to do so. I understand my employees now and I know that culturally it is unacceptable to ask them to complete this, especially when they have to comment about a colleague in a more senior role than them, but also senior in terms of years.’ Interviewee 15

‘This process has caused mayhem in my stores and those stores nearby. Employees didn’t react badly to it, they just didn’t react at all. We used it to support two managers who wanted to get promotion and wanted some feedback about their current behaviours. Firstly, when the forms were distributed we set up an online submission point to guarantee anonymity and so we could monitor how many forms had been submitted. After two weeks...nothing. After four weeks...nothing. I suggested that we tried a different approach, but plainly this and the culture here just don’t fit.’ Interviewee 22
4.1.3 Communication

This line of enquiry appeared to be very popular with respondents, particularly in terms of the value and frequency of HR specific communication. There are several approaches to communication at both the parent and host stores, namely Team 5, Daily Updates and Meetings. The commentary for this next section focuses on the example led by the Personnel function in-store, which appeared to be an emotional topic.

‘Firstly, I appreciate that the area here is communication, but my personnel function doesn’t appear to come out of the office for long enough to manage or think of useful communication to pass onto staff. The U.K processes take so long to police there’s no time to initiate our own more suitable protocol. Secondly, yes the Team 5 and all that works, but let’s face it this is one-way communication and it doesn’t work both ways.’ Interviewee 16

‘I think and I know I’m not alone on this, that my own personnel team should be out and about communicating with staff, not pushing paper in an office and then wondering why no one knows who they are and, more importantly, what the issues are. There is not enough diversity led from the Group Personnel Manager who reports directly to Tesco UK.’ Interviewee 9

‘I understand that Tesco wants one approach and yes it’s an important value, but one approach in Malaysia, seriously?’ Interviewee 23

‘Again, too much time on paper and not enough on people.’ Interviewee 35

Continuing along the theme of communication, there were some interviewees who valued communication but identified that it was not valued by staff. This interviewee raised the
concern that there were plenty of systems in place to promote communication, but very little to monitor its infiltration to staff and managers who appeared to miss out on important briefs, which could make their daily routines easier.

‘I think that the senior management team have got this completely wrong. We have many communication practices in store, but in Malaysia the expectation is not about go and read it yourself or let’s share it; it has to be more directive than that. We followed the UK process to the letter and one of these was the communication boards, which were placed on checkouts as prompts to cashiers, so that every time they served a member of the public with headache tablets the cashier would be prompted to check their age and the amount being given. The checkout manager in this case didn’t have time to check the communication board and so didn’t read the update, which meant that she didn’t install the checkouts with the new prompt key. Basically, we are now being fined for selling such tablets illegally as they were scanned through a number of tills and sold to minors, catastrophic.’ Interviewee 3

This example demonstrates the importance of communication, but not through formal documentation. It also elaborates on the importance of ensuring staff are well briefed to do their jobs, as routines can change quickly in retail.

The next sections of interviewee findings are still on the subject of communication, but highlight the pressures that exist in communicating effectively on HR initiatives.

‘Our personnel team are rarely seen speaking or present on the shop floor, but that’s not out of choice; it’s because of all the other audit-based jobs they have to do as directed by their Group Personnel Manager.’ Interviewee 19
'There are some good examples of communication in my store, but I have to say this is vastly hindered from senior management pressures to do other things.’ Interviewee 28

‘The processes are exceptional that Tesco employ to ensure that all staff are well briefed and have a good understanding of what’s happening around them, but you take the process and put it against a bad night’s fill or a busy day at the tills and you’ve had it, that process isn’t worth anything. The way we communicate should be less formal but more effective.’ Interviewee 38

‘I have a belief that some of the processes work well for us managers, but for staff and department managers the communication has to be tailored to suit them in terms of content and how it is delivered. Both totally miss the mark and fail to engage our people which has a negative impact on our customers, especially when it’s evident we haven’t a clue what’s going on.’ Interviewee 17

From the view above, it was evident that there was a strong belief from the store managers that communication was a must, yet the processes in existence must be altered in order to get staff and managers engaged with the processes. It was felt that this could be achieved by the personnel department becoming more actively involved working in partnership instead of the perception of passing the communication task to the already overly busy line managers. Additionally, it was also concluded through these findings that, given the nature of the retail industry, there were legal implications for not communicating both timely and effectively.
4.1.4 Organisational Shared Values

The values scheme within the UK store operations is widely used and has also been adapted for use within Malaysia. The scheme itself was developed to encourage staff to nominate other colleagues and their seniors to encapsulate recognition of behaviours and actions as regards the Tesco Core Purpose and, moreover, staff and customer commitments. The UK operation is focused around nominating others where they have demonstrated a positive act in terms of the specific values commitments, as presented in Chapter 3. Each successful nominee receives a certificate and photograph with the Store Manager, which is featured on a Values Board prominently placed in a staff area. In Malaysia, the transferral of this process has also worked well, but there were some notable reservations by the managers interviewed within this sample population.

‘The values system, well this is a tricky one. We started out using the full UK approach but found that staff didn’t like nominating others, either colleagues or managers, so after trying different incentives to kick-start nominations we gave up. Now we just praise and I nominate as a Store Manager which seems to work OK.’ Interviewee 27

‘We use the values in store but we don’t nominate, we just praise those who have set a good example at our department meetings.’ Interviewee 8

‘We do use values but, like many of my UK colleagues out here, there are other ways which work better to motivate staff, like by just saying well done or thanks face to face.’ Interviewee 6

The values system appears to be in use in Malaysia but, as the following expatriate managers confirmed, the managers felt excluded by the process.

‘Values work out here but we use it for staff and not managers. Our managers are paid well and get praised in other ways, but when I did introduce the non-managerial approach I did notice a few heads go down.’ Interviewee 36
‘We decided as a team that we should operate the identification of good examples of employee behaviour through the values system, but not including the managers as they are praised in so many other ways and have a closer relationship with the store manager anyway.’ Interviewee 26

‘I guess the only problem with our current values process in store is how you exemplify management good behaviour when they are your role models anyway.’ Interviewee 38

Although it appeared to be generally accepted that there was a need to recognise good performance in terms of the values awards, there were concerns about the identification and reward of the management team within the interviewee sample. That said, it was clearly noted that all who commented on the values awards did offer some variation of the parent scheme within their store, even if to some extent there had been an adaption to meet the local needs.

4.2 Summary

This chapter had set out to report on the findings from a qualitative analysis of interviewee transcripts taken from a sample of 38 Tesco Store Managers and above. The sections for this analysis have been organised to reflect the People Quadrant section of the Steering Wheel, although it is also notable that there have been some other themes identified as a result. The results of the views have been summarised in Table 4.1 below.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Human Resource Management</td>
<td>• Absence</td>
</tr>
<tr>
<td></td>
<td>• Attempted use of documentation from the parent</td>
</tr>
<tr>
<td>Management</td>
<td>company</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Localised the process to fit Malay culture</td>
</tr>
<tr>
<td></td>
<td>Return To Work processes deemed as detrimental</td>
</tr>
<tr>
<td>Staff Turnover</td>
<td>Staff Training</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Formal parent approach used with Managers only</td>
</tr>
<tr>
<td></td>
<td>Parent documentation too rigid so discounted</td>
</tr>
<tr>
<td></td>
<td>Perception of retail work by locals poor so transitional workforce</td>
</tr>
<tr>
<td>Staff Training</td>
<td>Performance Management</td>
</tr>
<tr>
<td></td>
<td>Basic staff training followed as in parent company</td>
</tr>
<tr>
<td></td>
<td>Legal compliance and Health and Safety a necessity</td>
</tr>
<tr>
<td></td>
<td>Targets set via Steering Wheel too challenging</td>
</tr>
<tr>
<td></td>
<td>Adapted methods of training particularly large groups</td>
</tr>
<tr>
<td>Staff Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficult for senior managers to train a Deputy</td>
</tr>
<tr>
<td></td>
<td>Differences in development of managerial behaviours</td>
</tr>
<tr>
<td></td>
<td>Operational training in daily store routines achieved</td>
</tr>
<tr>
<td>Appraisal</td>
<td>One to One</td>
</tr>
<tr>
<td></td>
<td>Steering Wheel targets set too challenging</td>
</tr>
<tr>
<td></td>
<td>Adapted to suit department and locals needs</td>
</tr>
<tr>
<td></td>
<td>Formal parent process too aggressive/confrontational</td>
</tr>
<tr>
<td></td>
<td>Parent documentation too rigid</td>
</tr>
<tr>
<td></td>
<td>Consistently maintained</td>
</tr>
<tr>
<td></td>
<td>Use of conversation instead of ‘hard’ HR processes</td>
</tr>
<tr>
<td></td>
<td>Encouragement of managers to ‘talk’ to staff</td>
</tr>
<tr>
<td></td>
<td>Too aggressive and rejected by managers</td>
</tr>
<tr>
<td></td>
<td>Not well received by local staff</td>
</tr>
<tr>
<td>360 Feedback</td>
<td>Communication</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Staff left work due to feedback process being aggressive</strong></td>
<td></td>
</tr>
<tr>
<td>- Personnel spend too much time in the office</td>
<td></td>
</tr>
<tr>
<td>- Lacks leadership from personnel team in store</td>
<td></td>
</tr>
<tr>
<td>- Too much paperwork and not enough interaction</td>
<td></td>
</tr>
<tr>
<td>- Adapted a directive approach instead of participatory</td>
<td></td>
</tr>
<tr>
<td>- Poor perception of the HR function in store</td>
<td></td>
</tr>
<tr>
<td>- Lack of HR presence on the shop floor engaging with staff and managers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisational Shared Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Extensively used throughout stores and managers</td>
</tr>
<tr>
<td>- Used as a motivational tool between departments and individuals</td>
</tr>
<tr>
<td>- Concerns around the benefits for managers</td>
</tr>
</tbody>
</table>

Table 4.1 shows a summary of findings for the qualitative data. The discussion and implications for these findings will be addressed in Chapter 6 of this thesis. The next chapter will present the analysis of the quantitative findings.
Chapter 5 Findings (2): Quantitative Analysis of Questionnaire Responses

5.1 Introduction
This chapter presents the results of a quantitative analysis of data collected from questionnaires distributed to employees in Tesco stores in Malaysia. The purpose of this chapter is to present the data collated from the questionnaire, which links to the research questions identified in Chapter 3. These research questions will be presented in more detail later in this chapter. The questionnaires were used to establish the views of employees on three key facets identified in the previous chapter to encapsulate the research questions. This chapter is structured in the following format:

5.2 Identification of themes

5.2.1 Descriptive Statistics

5.2.2 Analysis of the demographics

The previous chapter highlighted that there were three research questions that directly relate to the questionnaire. As a result, the researcher designed the questions into three categories to ensure that the research questions would be achieved fully. The research questions identified were as follows:

1. To comparatively assess the infiltration of company HRM policy through the company hierarchy.
2. To examine the relationship between the perceptions of managers and their subordinates.
3. To assess the management systems and the process for staff development within both the parent and host organisations.

There were a total of 157 responses from the questionnaire, which were collated through an online programme. The questionnaire targeted employees of various job
roles to include General Assistant, Team Leaders, Department Managers and Deputy Managers working at Tesco PLC in stores across Malaysia. Due to the difficulties faced in gaining access to local staff within Malaysia, the researcher could not distribute the questionnaires to Head Office or the Distribution Centres in Malaysia. Given that an online programme was used to disseminate the questionnaires, employees were encouraged through a management briefing initiative alongside their own Morale Index Survey to complete the questionnaire. As can be seen from the results presented later in this chapter, responses were received from employees undertaking various roles within the stores and from across various age ranges. In subsequent sections of this chapter, the findings by each research theme are explored with reference to the demographic profile of the respondents. For example, the job role characteristic has been selected for further review following the initial descriptive analysis of the questionnaire data.

5.2.1 Descriptive Statistics

This section of the thesis presents the descriptive findings derived from the questionnaire results. As a starting point, the researcher firstly grouped the questionnaire items into themes and then examined the means, standard deviations and the percentages of how the participants had responded to the items using the Likert-type response scale. In order to provide a consistent approach, as well as to enable the digestion of the findings, these descriptive findings are categorised and presented below using the three key themes, namely HRM Policy, Perceptions of Managers and Staff Development (see Table 5.1, Table 5.2 and Table 5.3 below).

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>SA* (%)</th>
<th>A* (%)</th>
<th>NoP* (%)</th>
<th>D* (%)</th>
<th>SD* (%)</th>
<th>Missing</th>
</tr>
</thead>
</table>

Table 5-1: Descriptive results for HRM Policy
<table>
<thead>
<tr>
<th>HRM Policy</th>
<th>157</th>
<th>4.33</th>
<th>.72</th>
<th>74.0</th>
<th>24.0</th>
<th>1.0</th>
<th>1.0</th>
<th>0.0</th>
<th>0.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>q 1 I am aware that there are established HR practices and policies at Tesco.</td>
<td>157</td>
<td>2.83</td>
<td>.91</td>
<td>10.6</td>
<td>37.5</td>
<td>35.6</td>
<td>16.3</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>q 2 I can easily access the Company HR policies.</td>
<td>157</td>
<td>2.11</td>
<td>.92</td>
<td>26.0</td>
<td>51.9</td>
<td>5.8</td>
<td>16.3</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>q 3 The HR policies are regularly updated.</td>
<td>157</td>
<td>1.57</td>
<td>.85</td>
<td>7.7</td>
<td>23.1</td>
<td>24.0</td>
<td>45.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>q 16 I find the Personnel department useful and helpful.</td>
<td>157</td>
<td>1.80</td>
<td>.80</td>
<td>7.5</td>
<td>18.9</td>
<td>20.8</td>
<td>54.7</td>
<td>1.9</td>
<td>0.0</td>
</tr>
<tr>
<td>q 17 The Personnel department forms an integral part of the team at Tesco.</td>
<td>157</td>
<td>4.84</td>
<td>.02</td>
<td>90.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

5.2.1.1 Human Resource Management Policy

As Table 5.1 demonstrates, there are some notable patterns within the data. The mean scores on the items ranged from 1.808 to 5.000. On further examination, it is noted that these items produced a range of responses, for example item 1 generated a mean response of 4.33. This indicates that the respondents tended to express relatively positive attitudes about their own awareness of the existence of established HR practices at Tesco. In contrast, the respondents provided relatively negative responses to item 17 (mean= 1.81); thus, 55.6% of the respondents disagree or strongly disagree with the statement that the personnel department ‘forms an integral part of the team at Tesco’.
5.2.1.2 Perceptions of Managers

The following section presents the descriptive findings under the theme of Perceptions of Managers (see Table 5.2).

Table 5-2 Descriptive results of the Perceptions of Managers

<table>
<thead>
<tr>
<th>Perceptions of Managers</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>*SA</th>
<th>*A</th>
<th>*NoP</th>
<th>*D</th>
<th>*SD</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>q 5 My manager spends time with me regularly.</td>
<td>157</td>
<td>3.88</td>
<td>.72</td>
<td>43.3</td>
<td>52.9</td>
<td>0.0</td>
<td>1.9</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>q 6 I have daily team meetings to discuss the store performance.</td>
<td>157</td>
<td>3.48</td>
<td>1.22</td>
<td>42.3</td>
<td>54.8</td>
<td>2.9</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>q 11 We practise the Company Values with my peers, subordinates and managers.</td>
<td>157</td>
<td>3.65</td>
<td>.99</td>
<td>20.2</td>
<td>65.4</td>
<td>7.7</td>
<td>5.8</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>q 13 I can always ask for help and advice if I need to.</td>
<td>157</td>
<td>3.47</td>
<td>.92</td>
<td>10.6</td>
<td>37.5</td>
<td>16.3</td>
<td>35.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>q 15 My morale is important to my manager.</td>
<td>157</td>
<td>3.50</td>
<td>1.02</td>
<td>8.7</td>
<td>44.2</td>
<td>26.0</td>
<td>21.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>q 20 I am able to give constructive feedback to my manager.</td>
<td>157</td>
<td>1.29</td>
<td>.45</td>
<td>1.9</td>
<td>3.8</td>
<td>20.8</td>
<td>54.7</td>
<td>18.9</td>
<td>0.0</td>
</tr>
<tr>
<td>q 21 We all work as one team.</td>
<td>157</td>
<td>4.06</td>
<td>1.08</td>
<td>20.2</td>
<td>65.4</td>
<td>7.7</td>
<td>5.8</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>q 26 The managers</td>
<td>157</td>
<td>4.07</td>
<td>.67</td>
<td>19.2</td>
<td>62.5</td>
<td>8.7</td>
<td>7.7</td>
<td>1.9</td>
<td>0.0</td>
</tr>
</tbody>
</table>
form good role models for behaviour within the store.

*SA=Strongly Agree; A=Agree; NoP=No Opinion; D=Disagree; SD=Strongly Disagree

This section presents a range of means scores from 1.295 to 4.071. It is noted from these results that a number of the items generated relatively positive or negative responses. For example, item 20 generated a relatively low mean of 1.295 with 73.6% of the respondents either disagreeing or strongly disagreeing with the statement “I am able to give constructive feedback to my manager”. In contrast, on item 6, 97.1% of the respondents strongly agreed or agreed with the statement “I have daily team meetings to discuss the store performance”. Further, on item 5, 96.2% of the respondents strongly agreed or agreed with the statement “My manager spends time with me regularly”.

5.2.1.3 Staff Development

This section presents the findings relating to the theme of staff development (see Table 5.3).

<table>
<thead>
<tr>
<th>Staff Development</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>*SA</th>
<th>*A</th>
<th>*NoP</th>
<th>*D</th>
<th>*SD</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>q 7 The Steering Wheel is used to outline my performance targets.</td>
<td>157</td>
<td>3.74</td>
<td>.99</td>
<td>28.8</td>
<td>51.9</td>
<td>9.6</td>
<td>8.7</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>q 8 I have regular Performance Reviews with my manager.</td>
<td>157</td>
<td>3.11</td>
<td>1.32</td>
<td>12.5</td>
<td>58.7</td>
<td>18.3</td>
<td>8.7</td>
<td>1.9</td>
<td>0.0</td>
</tr>
<tr>
<td>q 9 I receive regular training for my job.</td>
<td>157</td>
<td>4.29</td>
<td>.68</td>
<td>37.5</td>
<td>51.0</td>
<td>5.8</td>
<td>5.8</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Table 5.3 confirms that this theme did not tend to generate the relatively wide ranges of responses when compared to the responses generated by the previous themes. Nevertheless, even with this theme, some variations in responses by item are apparent from the descriptive statistics. For example, while 96.2% of the respondents strongly agree or agree with the statement “I have access to the tools which help me do my job well” (item 23), only 48.1% of the respondents strongly agree or agree with the statement “I find my work interesting” (item 12). As noted above, having presented descriptive findings for the questionnaire in relation to the three specific themes, the data were examined in more detail with reference to the demographic profile of the respondents. Further details of this analysis are presented in subsequent sections of the chapter.

### 5.2.2 Analysis of the themes

Within this chapter so far, the researcher has presented a descriptive analysis of three key themes identified through the data collection of the questionnaire based on stores within Malaysia. As a result of this descriptive analysis of these themes (that is, HRM Policy,
Perceptions of Managers and Staff Development), the decision was taken to pursue the investigation in order to identify further patterns in the data, specifically in relation to the relationship between respondents, the job roles and their responses to the questionnaire items. These roles include General Assistant, Team Leader, Department Manager and Deputy Manager. As such, the next section will further explore the data with reference to the job roles of the respondents in Malaysia. This analysis section also directly links to the research questions:

1. To comparatively assess the infiltration of company HRM policy through the company hierarchy.

2. To examine the relationship between managers and subordinates.

Thus, the next section will be divided into the three theme areas of HRM Policy, Perceptions of Managers and Staff Development and present the findings by each of the four job roles. This analysis can now be seen in more detail in Table 5.4, 5.5 and 5.6 below.

<table>
<thead>
<tr>
<th>Table 5-4</th>
<th>Descriptive Statistics by Job Role: HRM Policy Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Role</strong></td>
<td><strong>N</strong></td>
</tr>
<tr>
<td>General Assistant (GA)</td>
<td>107</td>
</tr>
<tr>
<td>Team Leader (TL)</td>
<td>20</td>
</tr>
<tr>
<td>Department Manager (DepM)</td>
<td>28</td>
</tr>
<tr>
<td>Deputy Manager (DM)</td>
<td>2</td>
</tr>
</tbody>
</table>
Table 5.4 above highlights the key differences between holders of the job roles in terms of their stated attitudes towards HRM and how HRM is perceived at their job level within Tesco Malaysia.

Notably, the table also presents the differences between the hierarchies in terms of the sample population with GAs making up 107 of the sample population of 157. The GA population has a mean response for the theme of HRM policy of 2.94 and a Standard Deviation of 0.895. This population’s responses tend to be spread across the Agree, No Opinion and Disagree Likert categories. Thus, this General Assistant population has a relatively high number of No Opinion responses based on the questions posed within this theme (37.04%) closely followed by responses in the Disagree category (32.105), with 25.93% of responses falling into the Agree response category.

The next level in the Tesco Management hierarchy is the Team Leader population. The sample size for this group is notably smaller at 20. The mean response was 2.95 (SD = 0.889). This sample of Tesco staff mainly answered in the Agree section, with 61.73% followed by 19.75% with No Opinion and 16.05% Strongly Agree. The next level in the management structure is the Department Manager. The population size for this group of respondents is 28. Here, the mean for this sample of the population is 3.68 (SD = 0.542). The participants’ responses also indicate a more positive indication in comparison to the other two groups of the sample, with the Department Manager responses mainly split between Agree at 65.40% and Strongly Agree at 20.20%. The last group in the questionnaire sample is the Deputy Manager population. This group is small (N = 2) in comparison to the other populations. That said, the results are the most positive representing 5.00 for the mean and a standard deviation of 0.00.

The One Way Analysis of Variance (ANOVA) has been used at this juncture within the analysis of the results to determine if there are any significant statistical variances between the General Assistant population, Team Leader and Department Manager population of staff within the theme of HRM Policy. It is important to note here that the One Way Analysis
of Variance test can only identify whether the groups are different and not specifically which group is different from the other. In order to determine which of the four job role groups differ specifically from each other, a post-hoc test must be performed after the ANOVA.

Prior to performing the one-way ANOVA test on this data set, the researcher also reviewed the six assumptions to ensure that the data that the researcher wanted to analyse can in fact be analysed. On the review of the assumptions, it was noted that there was a significant outlier present. The outlier here was the Deputy Manager population which, as well as consisting of just N=2 respondents, was associated with an unusual pattern of data, that is $M=5.00$, $SD= 0.000$. The concern here for pursuing the ANOVA test with this group included was that it may have an extraneous influence on the results, thus reducing the overall validity of the findings. Hence, despite the relative seniority of these N = 2 respondents, their responses were removed prior to performing the ANOVA test (see Table 5.5 below).

Once the ANOVA was performed, the Tukey HSD post-hoc test was used to identify specifically any differences between the group means. This was completed for each of the three themes, namely HRM Policy, Perceptions of Managers and Staff Development. The first of these one-way ANOVA tests is performed and presented below in Table 5.5.

<table>
<thead>
<tr>
<th>Table 5-5</th>
<th>Descriptive Statistics by Job Role: HRM Policy Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Descriptives</strong></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>Lower Bound</td>
<td>Upper Bound</td>
</tr>
<tr>
<td>General Assistant</td>
<td>107</td>
</tr>
<tr>
<td>Team Leader</td>
<td>20</td>
</tr>
<tr>
<td>Department Manager</td>
<td>28</td>
</tr>
</tbody>
</table>
Table 5.5 demonstrated above displays the descriptive data for the theme of HRM Policy. It can be seen from this table that the mean value increases as the hierarchy of the job role increases from General Assistant to Department Manager (GA m=2.94, TL m=2.95, DepM m=3.68). It can also be seen here that the Standard Deviation between the three job roles decreases as the hierarchy increases (GA SD=0.895, TL SD=0.889, DepM SD=542). The following Table 5.6 presents the findings for the three job roles within the theme of HRM Policy following the ANOVA test.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>91.568</td>
<td>3</td>
<td>44.768</td>
<td>3.856</td>
<td>.025</td>
</tr>
<tr>
<td></td>
<td>275.324</td>
<td>24</td>
<td>9.634</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within groups</td>
<td>366.892</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>366.892</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above Table 5.6 presents the results of the output of the ANOVA analysis and demonstrates whether the data within this group is statistically significant between the job role means. As presented here, it can be seen that the significance level is 0.025 (p=.025), which is below 0.05 and, therefore, there is a statistical significant difference between the job roles in terms of their understanding of HRM Policy. This is worthy of note at this stage in presenting the findings. Yet, as previously expressed by the researcher in an earlier discussion within this section, it is not clear from this ANOVA which of the means generated
by the groups differed in a statistically significant manner. As a result, the researcher then pursued, based on this initial test, a post hoc test, which is presented later within this chapter and which is summarised in Table 5.7 below.

Table 5.7 Multiple Comparisons Table HRM Policy

<table>
<thead>
<tr>
<th>Job Role</th>
<th>Job Role</th>
<th>Mean Difference</th>
<th>Std.Error</th>
<th>Sig.</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA</td>
<td>TL</td>
<td>2.40000</td>
<td>1.13598</td>
<td>.024*</td>
<td>.0234</td>
<td>6.5223</td>
</tr>
<tr>
<td>DepM</td>
<td></td>
<td>2.90000</td>
<td>1.13598</td>
<td>.013</td>
<td>.2567</td>
<td>7.6835</td>
</tr>
<tr>
<td>TL</td>
<td>GA</td>
<td>-2.40000</td>
<td>1.13598</td>
<td>.024</td>
<td>-6.5223</td>
<td>-.0234</td>
</tr>
<tr>
<td>DepM</td>
<td></td>
<td>.20000</td>
<td>1.13598</td>
<td>.879</td>
<td>-2.6215</td>
<td>-2.6213</td>
</tr>
<tr>
<td>DepM</td>
<td>TL</td>
<td>-2.90000</td>
<td>1.13598</td>
<td>.013*</td>
<td>-6.5225</td>
<td>-.2567</td>
</tr>
<tr>
<td></td>
<td>GA</td>
<td>-.20000</td>
<td>1.13598</td>
<td>.879</td>
<td>-3.6763</td>
<td>3.6765</td>
</tr>
</tbody>
</table>

*The mean difference is significant at the 0.05 level.

As can be seen from Table 5.7, there are significant statistical differences beyond the 0.05 level between the understanding of HRM Policy between the Department Manager and General Assistant population (p=.013), as well as significant differences of understanding of HRM Policy between the two staff populations of Team Leader and General Assistant (p=.024). However, no significant differences were found between the means generated by the responses of the Department Manager and Team Leaders in relation to HRM policy.

This process of performing ANOVA tests and, where appropriate, post hoc Tukey’s tests was repeated for the themes of ‘Analysis of Perceptions of Managers’ and ‘Staff Development’ (see Tables 5.8 to 5.15 below).
### Table 5.8

**Descriptive Statistics: Perceptions of Managers Theme**

<table>
<thead>
<tr>
<th>Job Role</th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>*SA</th>
<th>*A</th>
<th>*NoP</th>
<th>*D</th>
<th>*SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Assistant (GA)</td>
<td>107</td>
<td>1.62</td>
<td>1.89</td>
<td>33.33</td>
<td>67.57</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Leader (TL)</td>
<td>20</td>
<td>3.40</td>
<td>0.54</td>
<td>51.72</td>
<td>20.69</td>
<td>24.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department Manager (DepM)</td>
<td>28</td>
<td>4.54</td>
<td>0.22</td>
<td>18.92</td>
<td>13.52</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deputy Manager (DM)</td>
<td>2</td>
<td>5.00</td>
<td>0.00</td>
<td>100.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*SA=Strongly Agree; A=Agree; NoP=No Opinion; D=Disagree; SD=Strongly Disagree

As indicated in Table 5.8, there are differences at a descriptive level of analysis between the questionnaire responses from the four groups of respondents in relation to the ‘Perception of Managers’ theme, with mean responses for this theme ranging from 1.62 to 5.00. Notably, Table 5.8 also highlights the emphasis placed by the respondents on their opinions of their managers. The GA population has a high number of No Opinion responses at 67.57% and Agree at 33.33%. In contrast, 51.72% of the Team Leader endorsed the Agree category followed by 24.4% of the Team Leader respondents who endorsed the Disagree category. By contrast, 86.5% of the Department Manager population endorsed the Strongly Agreed or Agreed category.

Tables 5.9 and 5.10 contain the results of the ANOVA test of the means obtained from the three groups of respondents with reference to the theme of ‘Perceptions of Managers’.
For reasons explained above, the responses from the N=2 Deputy Managers were excluded from the analysis.

Table 5.9  Descriptive Statistics by Job Role: Perceptions of Managers Theme

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Std Error</th>
<th>95% Confidence Interval for Mean</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Upper Bound</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Assistant</td>
<td>107</td>
<td>1.62</td>
<td>1.89</td>
<td>0.5679</td>
<td>1.3456</td>
<td>3.4569</td>
<td>2.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Leader</td>
<td>20</td>
<td>3.40</td>
<td>0.54</td>
<td>0.9978</td>
<td>1.0123</td>
<td>3.6789</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department Manager</td>
<td>28</td>
<td>4.54</td>
<td>0.22</td>
<td>0.9789</td>
<td>1.0332</td>
<td>3.0786</td>
<td>1.94</td>
</tr>
</tbody>
</table>

As can be seen from Table 5.9, the means obtained from the three occupational groups range from 1.62 to 4.54. Table 5.10 presents the results of the one-way ANOVA for this group of job roles.

Table 5.10  ANOVA: Perceptions of Managers Theme

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>90.568</td>
<td>4</td>
<td>46.897</td>
<td>4.786</td>
<td>.015</td>
</tr>
<tr>
<td>Within groups</td>
<td>256.678</td>
<td>32</td>
<td>9.645</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>347.246</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>347.246</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5.10 contains the results of the ANOVA test. Here it can be seen that the significance level is 0.015 (p=.015), which is below the 0.05 level and is therefore a statistically significant difference in relation to the means scores generated by these groups on this theme. To examine where the differences have occurred, the researcher has presented this information in the Multiple Comparisons Table 5.11 presented below.

Table 5.11  Multiple Comparisons Table for Perceptions of Managers using Tukey HSD

<table>
<thead>
<tr>
<th>Job Role</th>
<th>Job Role</th>
<th>Mean Difference</th>
<th>Std.Error</th>
<th>Sig.</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA</td>
<td>TL</td>
<td>3.30000</td>
<td>1.34152</td>
<td>.025</td>
<td>.0894</td>
<td>6.5223</td>
</tr>
<tr>
<td></td>
<td>DepM</td>
<td>3.80000</td>
<td>1.34152</td>
<td>.032</td>
<td>.2567</td>
<td>7.6835</td>
</tr>
<tr>
<td>TL</td>
<td>GA</td>
<td>-3.30000</td>
<td>1.34152</td>
<td>.025</td>
<td>-6.5223</td>
<td>-2.6113</td>
</tr>
<tr>
<td></td>
<td>DepM</td>
<td>-.20000</td>
<td>1.34152</td>
<td>.888</td>
<td>-2.6113</td>
<td>2.6115</td>
</tr>
<tr>
<td>DepM</td>
<td>GA</td>
<td>-3.80000</td>
<td>1.34152</td>
<td>.032</td>
<td>-7.6835</td>
<td>-.2567</td>
</tr>
<tr>
<td></td>
<td>TL</td>
<td>-.20000</td>
<td>1.34152</td>
<td>.888</td>
<td>-2.6113</td>
<td>2.6115</td>
</tr>
</tbody>
</table>

*The mean difference is significant at the 0.05 level.

Table 5.11 highlights statistically significantly differences between the means generated by the three groups of employees in relation to the questionnaire theme ‘Perceptions of Managers’. As can be seen from Table 5.11, there are significantly statistical differences between the General Assistant population and the Team Leader (p=.025). Additionally, there are also significantly statistical differences demonstrated between the General Assistant and Department Manager populations (p=.032). It is also interesting to note here that there are no statistically significant differences identified between the means generated by the Team Leader and Department Manager groups of respondents in relation to this questionnaire theme (p=.888).
Table below 5.12 will demonstrate the data by the four identified job roles for their opinions of Staff Development.

<table>
<thead>
<tr>
<th>Job Role</th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>*SA</th>
<th>*A</th>
<th>*NoP</th>
<th>*D</th>
<th>*SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Assistant (GA)</td>
<td>107</td>
<td>3.54</td>
<td>0.54</td>
<td>8.33</td>
<td>19.44</td>
<td>55.56</td>
<td>16.67</td>
<td></td>
</tr>
<tr>
<td>Team Leader (TL)</td>
<td>20</td>
<td>4.20</td>
<td>0.44</td>
<td>18.30</td>
<td>43.30</td>
<td>24.00</td>
<td>13.50</td>
<td></td>
</tr>
<tr>
<td>Department Manager (DepM)</td>
<td>28</td>
<td>4.44</td>
<td>0.32</td>
<td>43.30</td>
<td>52.90</td>
<td>1.90</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Deputy Manager (DM)</td>
<td>2</td>
<td>5.00</td>
<td>0.00</td>
<td>100.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*SA=Strongly Agree; A=Agree; NoP=No Opinion; D=Disagree; SD=Strongly Disagree

The results presented in Table 5.12 summarise attitudes of the four groups of respondents towards Staff Development within Tesco Malaysia. The average mean scores generated by these groups range from 5.00 to 3.54. The GA population has a relatively small number of participants who endorsed the Strongly Agree category (8.33%) compared to 18.30% for the Team Leaders, 43.30% for the Department Managers and 100% for the Deputy Managers. For the Agree category, the percentages of those endorsing the category vary with GAs at 19.44%, Team Leaders at 43.30 %and Department Managers at 52.90%.

Table 5.13 presents the data from the descriptive output using the one-way ANOVA test relating to the theme of Staff Development. Again, for reasons explained above, the responses from the N=2 Deputy Managers have not been included in the ANOVA analysis.
As can be seen from the descriptive Table 5.13, there appears to be a pattern presented within this data which highlights the differences between the mean and standard deviation as the hierarchy progresses throughout the three job roles, as discussed above.

Table 5.14 demonstrates the output from the one-way ANOVA test.
Table 5.14 above presents the findings from the one-way ANOVA test. Here, it can be seen that statistically significant differences have been found in relation to the means generated by job role groups in relation to this theme. The significance level is 0.022 (p=.022) which has reached significance beyond the 0.05 level. Therefore, a statistically significant difference has been found between the means generated by the GA, Team Leaders and Department Managers’ job role groups in relation to Staff Development at Tesco Stores PLC. Following the use of the Tukey HSD as the post-hoc test, Table 5.15 identifies specifically where these differences lie within this theme of Staff Development.

Table 5.15 Multiple Comparisons Table for Staff Development using Tukey HSD

<table>
<thead>
<tr>
<th>Job Role</th>
<th>Job Role</th>
<th>Mean Difference</th>
<th>Std.Error</th>
<th>Sig.</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA</td>
<td>TL</td>
<td>3.40000</td>
<td>1.34072</td>
<td>.039</td>
<td>.0534</td>
<td>7.5743</td>
</tr>
<tr>
<td></td>
<td>DepM</td>
<td>3.90000</td>
<td>1.34072</td>
<td>.022</td>
<td>.2567</td>
<td>7.6835</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TL</td>
<td>GA</td>
<td>-3.90000</td>
<td>1.34072</td>
<td>.022</td>
<td>-7.6835</td>
<td>-3.6843</td>
</tr>
<tr>
<td></td>
<td>DepM</td>
<td>-.20000</td>
<td>1.34072</td>
<td>.978</td>
<td>-.2567</td>
<td>3.6835</td>
</tr>
</tbody>
</table>

*The mean difference is significant at the 0.05 level.

Table 5.15 highlights that there are statistically significant differences between the means generated by the General Assistant and Team Leader groups (p=.039). Additionally, there are also statistically significant differences identified between the means generated by the General Assistant population and the Department Manager population (p=.022). However,
it is worth noting here that there are no statistically significant differences between the means generated by the Department Manager population and the Team Leader group opinions.

5.9 Summary

This chapter set out to examine the results of the questionnaire administered to 157 employees of Tesco PLC based in Malaysia. A quantitative analysis of the results took place which examined key trends and findings of the questionnaire. The questionnaire results were presented using the research questions as a foundation. These questions were developed into three themes in order to present the data in a systematic and detailed manner. Following a descriptive analysis, the questionnaire data were then further examined using the one-way ANOVA test to assess for statistical differences between the means generated by respondents from three job role groups in relation to the themes of HRM Policy, Managers Perceptions and Staff Development. Once these differences had been identified, it was then necessary to examine these differences in further detail through performing a post-hoc test on the one-way ANOVA. For this specific test, the Tukey HSD test was selected; this provided multiple comparison tables to highlight the differences specifically between the themes and the mean responses within these three themes according to job role.
Chapter 6 Discussion, Implications and Recommendations

6.1 Introduction

This chapter draws upon the findings of the study and aims to conclude, through discussion, the extent to which HRM can be transferred from a parent company to a host subsidiary using the case of Tesco PLC. The chapter therefore presents a summary of the study, a discussion around its findings and offers a set of conclusions based on the findings presented as a whole.

It is, therefore, imperative that this chapter provides a summary of the study in its entirety. Thus, the chapter is structured following the standard conventions (see Roberts, 2004) as follows:

6.2 A summary of the study, which will include a review of the research objectives and questions and an assessment of the research methodology.

6.3 A synthesis of the study findings through an examination of the main findings, including the literature. This section will also examine the findings of both the quantitative and qualitative findings.

6.4 A discussion section, which will offer dialogue as regards to the findings of this study and will consider the implications of the findings.

6.5 Limitations of the study. This section will highlight the constraints considered which may have hindered the research of this study.

6.6 Recommendations for further research, which will consider any future work that may have arisen following the findings of this study.

6.7 A concluding commentary which will sum up the study in its entirety.
6.2 Summary of the study

This study began with an interest in pursuing and understanding how multinational companies transfer their HRM policies and practices around the globe. Within the context of this overall aim and analysis of existant literature, a case study methodology, based on the experiences and framework of Tesco PLC in Malaysia, was employed to advance further research. The case study was chosen specifically for two main reasons; the first being accessibility to the organisation, given the researcher’s previous position and, secondly, the relevance of a developing country contexts to the research, as discussed in Chapter 2 of this study. Thus, the researcher pursued this investigation from a theoretical viewpoint, which involved an assessment of current and historical literature. Various themes were examined such as the historical background to HRM, the role of HRM within the multinational context, the key differences and similarities between HRM and International HRM, the essence of established HRM models and issues surrounding the transfer of HRM to geographical contexts such as Malaysia.

As a result of an examination of the literature under the aforementioned themes, the researcher was able to identify some specific concerns and gaps for further investigation. In the following section of the thesis, these concerns are summarised. More importantly, the gaps within the literature, upon which specific research questions were formulated, are identified and discussed in relation to the empirical findings of this study.

The first concern which the researcher identified as part of the literature review was centred upon the term ‘Human Resource Management’. It was noted that in academic literature, within the field of HRM, there exists an entire business function devoted to the practice of HRM, yet there is not one singular approach or broadly accepted definition of the term. This problematic lack of a definition is demonstrated in Figure 2.1.

As a result, the researcher was compelled to review various approaches to HRM, beginning with its origins in Western countries and then moving towards a global perspective, through an investigation into International HRM and, more specifically, HRM in the Asia Pacific region.

One of the main themes that emerged revolves around the very term Human Resource Management and whether it represents a distinct form of management practice. For
example, it was noted that theorists such as Legge (1995) debated whether HRM is actually any different to Personnel Management (see also Armstrong, 2008; Henderson, 2011). The literature review highlighted the relevance of this debate to the current study and found that theorists from around the globe were also advocating support for the term HRM, as they portrayed HRM as a means to develop the individual in the workplace. Thus, it was found that theorists such as Kanungo (2006) were using the Westernised models of HRM frameworks for adoption in emerging economies. The literature review revealed that this view was also supported by Kohn and Austin (2000), Budhwar and Sparrow (2002), Budhwar and Debrah (2013) and Rowley and Bhopal (2005).

Yet, it was concluded in the literature that this view in itself provokes the question of how well Westernised HRM models can be transferred to an emerging economy as highlighted within the literature. That said, an underlying question exists: ‘If emerging economies are to adapt a Western approach to HRM practices, how can they do so when Western theorists can’t agree on one approach or a singular definition of what HRM actually is?’

The literature identified that there are specific processes within the field of HRM which must be considered when transferring HR practices through from a parent company to a host subsidiary. From the discussion in Chapter 2, which highlighted some of the processes for consideration in transferral, it can be noted that there are specific elements that constitute the practice of Human Resource Management. For example, communication was identified as a key process for HRM throughout the hierarchy within a multinational, yet there was a scarcity of research on the variances between localisation and consideration of local customs, age composition of the workforce, rewards and benefits in terms of the expatriate and, finally, training (Gamble, 2008).

At this juncture within the thesis, it is apposite to highlight specifically the three key issues from the literature that were identified as representing points for further examination. First, to what extent are Westernised HRM practices facilitated in the parent/host sites? Second, can there be an alignment between the organisational structure in terms of how the managers engage with their staff between the parent and host country? Lastly, is there a single, uniformed approach to HRM in the case of a selected Multinational Company?
This study set out to examine these issues in the context of one specific case, Tesco PLC. The primary research for this study is based within the retail sector. As pointed out by a number of theorists, including Harzing (2004) and Gamble (2006), there is limited literature within this sector that is targeted within the field of HRM. There is an opinion within the literature (Alhstrom et al. 2001) that the paucity of academic research on HRM within this sector is due to the fact that the retail sector is predominantly concerned with operations and profit, as popularly characterised by phrases such as ‘fast moving consumer goods’.

Additionally, it was identified that, within the context of Malaysia, there has been scant research carried out within the context of the multinational. This is particularly so when there has been a burgeoning body of literature on HRM in the public sector in developing and transitional countries, as much of the focus of literature has been within the public sector as identified by authors such as Smith and Abdullah (2004), David et al. (2004), McCourt (2005), Pallyango and Rees (2010).

**6.2.1 Research objectives and questions**

Having conducted an in-depth literature review to identify the gaps in current literature, as summarised above, a set of eight research questions was constructed to address these gaps and, hence, to guide the design of the research methodology and analyses of the resulting data generated by the employment of this methodology. For ease of reference, these research questions are restated below as statements:

1. To examine existing policy in the UK and Malaysia and determine the influences of such HRM policies.
2. To assess the demographics of the company workforce.
3. To examine communication systems throughout the company.
4. To ascertain local customs and management of HR policy.
5. To comparatively assess the infiltration of company HRM policy through the company hierarchy.
6. To examine the management structure of both countries.
7. To assess the management systems and the process for development within both parent/host.
8. To elicit the views, attitudes and aspirations of Managers over different aspects of HRM practice and to find out the nature of their influence over changing HRM policies at a local level in the UK and Malaysia.

The research questions were addressed using a mixed methods approach involving questionnaires to employees, interviews with managers, and company documentation, as detailed in the methodology chapter. Full details of this methodology can be found in Chapter 3 of the thesis. The methods chosen provided a rich source of data that proved pertinent to the research questions. The next section of this chapter cross references a summary of the main findings of the study against these research questions.

6.3 Synthesis of the main findings

A summary of the main findings based on the case of Tesco PLC, Malaysia are presented below. As the researcher has already highlighted, there is still much debate about the definition and subject of HRM, both on a domestic level as well as from an international perspective, particularly on how multinationals transfer their HRM policies and practices between geographic sites and cultures. The table below highlights the main findings of this study. As can be seen, the issue of adaptation of parent company processes is still a fundamental concern. Table 6.1 shows the themes collated from the questionnaire, which are presented in accordance with their specific research question to provide context. Additionally, Table 6.1 shows the themes identified using the steering wheel as a framework for the interview results.

<table>
<thead>
<tr>
<th>Data Collection Methods</th>
<th>Research Question</th>
<th>Questionnaire (n=157)</th>
<th>Semi-Structured Interviews (n=38)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Question</td>
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<tr>
<td>Questionnaire</td>
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<tr>
<td>Semi-Structured Interviews (n=38)</td>
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<tr>
<td>Interview questions: 1. As part of the team at Tesco PLC, how well, in your opinion, is the People Quadrant managed? 2. Many organisations have</td>
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<tr>
<td>The questionnaire was structured to incorporate questions aimed at the General Assistant (Level 1) population. The questions were devised to seek an</td>
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</table>
understanding of how well the steering wheel was used as an operational tool in everyday routine and also to gauge staff participation within the policies and practices of the People Quadrant. There were 26 questions based around the subject of the steering wheel and a further 5 questions based on the staff demography.

developed Company Values and Codes of Practice to ensure staff have a guideline for behaviours within the workplace. Do you think that the Tesco Values are consistent?

3. Within Tesco there is a framework which is used to formulate and process all operations, namely the Steering Wheel. This is often adapted at store level to facilitate local needs of both staff and customers. What are your views of the Steering Wheel? How have you been involved in its adaptation?

<p>| Main Findings |
| Research Question |
| To comparatively assess the infiltration of company HRM policy through the company hierarchy |
| HRM Policy |
| • Differences between awareness of HR policies ( (m=4.33) ) indicating a high infiltration of HR policies |
| • An understanding of what the company objectives specifically are also rated high ( (m=5.00) ) |
| • Employees were area of the policies relating to HRM and also understood the implementation |</p>
<table>
<thead>
<tr>
<th>Research Question</th>
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<tbody>
<tr>
<td><strong>Personnel Department</strong></td>
<td>and relevance of them</td>
</tr>
<tr>
<td>• Poor understanding of how the Personnel department structure works in store (m=1.57)</td>
<td></td>
</tr>
<tr>
<td>• Personnel function integrated into management hierarchy operating cohesively (m=1.80)</td>
<td></td>
</tr>
<tr>
<td>• Many HR processes carried out by the management team and not a separate HR department</td>
<td></td>
</tr>
<tr>
<td>• Managers more appreciative of the HR function than general assistants</td>
<td></td>
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<tr>
<td>• Younger general assistants (18-25) have less opinion on HRM processes</td>
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</table>
To elicit the views, attitudes and aspirations of Managers over different aspects of HRM practice and to observe the nature of their influence over changing HRM policies at a local level in the UK and Malaysia

<table>
<thead>
<tr>
<th>Managers</th>
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<tbody>
<tr>
<td><strong>Teamwork</strong></td>
</tr>
<tr>
<td>- Widely felt that a strong emphasis on team cooperation ( (m=4.06) )</td>
</tr>
<tr>
<td>- Across departments, age groups and job roles concluded commitment to each other</td>
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<tr>
<td>- Strong emphasis placed on helping each other</td>
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</table>

<table>
<thead>
<tr>
<th>Manager Engagement</th>
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</thead>
<tbody>
<tr>
<td>- The role of the manager is important within the workplace and well respected by subordinates</td>
</tr>
<tr>
<td>- Employees believed managers act as role models supporting the notion of respect ( (m=4.71) )</td>
</tr>
<tr>
<td>- Employees demonstrated the need not to be able to give managers feedback ( (m=1.29) )</td>
</tr>
<tr>
<td>- Across age group and job role, the perception of not giving feedback to managers very clear</td>
</tr>
<tr>
<td>- Culturally different compared to</td>
</tr>
</tbody>
</table>
the UK as a key component in parent culture to gain subordinate feedback, supported through appraisal and communication processes

**Research Question**
To assess the management systems and the process for development within both parent/host.

<table>
<thead>
<tr>
<th><strong>Staff Development</strong></th>
<th><strong>Tools to do the job</strong></th>
</tr>
</thead>
</table>
| **Training**          | Staff across all levels demonstrated that they receive regular training (m=4.29)  
The general assistant population generally felt their work was less interesting (m=2.01)  
The Steering Wheel used less to formulate performance targets with lower ranking staff (m=1.56)  
Across all age groups and job roles, performance appraisals were consistently conducted and feedback received on own performance  
Strongly felt that all employees were given the tools to carry out their daily job (m=4.79)  
It was perceived that there were also opportunities for promotion (m=3.23) |

Summary: Generally, the results of the questionnaire identified that parent HR policies were utilised and that the employees in
store were well aware of the processes as presented under the themes of HRM Policy, Managers and Staff Development. Notably, there are differences between the demographics of the sample and also job role in terms of the extent of the utilisation of such parent company policies.

<table>
<thead>
<tr>
<th>Research Question</th>
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<tbody>
<tr>
<td>To examine communication systems throughout the company</td>
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<table>
<thead>
<tr>
<th>Communication of HRM Policies</th>
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<tbody>
<tr>
<td>• Team 5</td>
</tr>
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</table>

- The parent processes outlined are clear and well communicated
- The documentation and audit trail for communication good
- All employees are well appraised of the system of communication
- Team 5 – works well throughout the store and used daily
- Variances between Department Managers (checkouts, grocery, fresh, nights) use of the system on a daily basis of consistency of when/where Team 5 takes place
- Content and approach differs between management level, i.e. Team Leaders tend not to use consistently due to time constraints and operational focus
- Vast differences between departments in store in terms of content and quality of boards
- Feedback from Store Managers highlights concerns for updating of
- **Daily update board**

  - Regular communication via written board system
  - Staff tend not to use or engage with the boards unless concerned with pay or benefit their own jobs
  - Good communication tool, but rarely happens in ‘fast traffic’ areas such as service departments and delivery departments.
  - Works well for management team to discuss issues and praise colleagues on performance by department
  - Management meetings disorganised and tend to run into difficulty with timings
  - Documentation rarely completed to confirm agenda, minutes and next steps from the meetings
  - Questions raised concerning who manages the store whilst all managers are meeting.
  - Perceived negative feedback from general assistant population to the process and length of meetings
Summary: Overall, the process of communication works well in store using the parent company documentation and approach. Differences identified between dissemination of communication in the management hierarchy, i.e. Team Leader, Department Managers and Deputy Managers, as well as between departments within the store.

### Research Question

To elicit the views, attitudes and aspirations of Managers over different aspects of HRM practice and to find out the nature of their influence over changing HRM policies at a local level in the UK and Malaysia.

### Strategic HRM

- **Absence Management**

  The documentation is the same in the host as in parent company in terms of the HR Strategy.

- The documentation is not widely used within stores in Malaysia.

- Opportunities to manipulate the parent documents to a local level to make them more accessible for managers. Parent approach too restricting.

- Store Managers made local changes to the policy in terms of how employees are to inform the store of an absence, as well as staff training on how to
Staff Turnover

- Changes made to the policy in terms of pay, i.e. agreements made that employees will be paid for absent periods, unlike in the UK

- Exit interview process established in stores in Malaysia but altered to suit employees as made more informal to address the need of ‘family units’

- Parent company documents changed and rewritten to be less structured and intrusive about why employees leave

- Use of parent documentation used well throughout stores by managers

- Locally changed to be less frequent and less participation from general assistant staff required

- Employed a training Manager within stores to encourage training, with one individual leading as managers struggle to deliver their own staff training

- Basic training carried out well, although difficulties faced in getting employees to attend outside of their shifts despite incentives of pay and bonuses on shopping.

- Use of parent documentation used as a framework and not as a definitive
- **Development-Options**

Summary: The documentation from the parent company is well distributed, yet local changes made to ‘soften’ the use of certain policies such as Exit Interviews, Behavioural development for promotion and less demands placed on managers to train their own staff as an independent trainer employed.

<table>
<thead>
<tr>
<th>Performance Management</th>
<th>This process is well used as a guideline, but less well distributed as a method for improving or adjusting employee performance.</th>
</tr>
</thead>
<tbody>
<tr>
<td>- <strong>Appraisals</strong></td>
<td></td>
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<tr>
<td></td>
<td>- The appraisal system is used, yet specific Steering Wheel objectives not distributed to the general assistant population as perceived as not adding value.</td>
</tr>
<tr>
<td></td>
<td>- The process for employees in service</td>
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</table>
- One to One

- 360°

areas has been changed to adapt locally to operational demands such as brief discussions on task

- Frequency of appraisal systems reduced for employees, including managers
- Questions and prompts used to outline performance changed to be less evasive for management team

- Becoming an increasing method for relationship building and giving feedback to employees
- Locally changed to take place as ‘walk and talk’ and less office-centred
- Encouraged use through entire hierarchy and less documented conversation about performance

- Used as a developmental tool for Deputy Managers and above only
- Not distributed within the store or as part of the Options programme as benefits reduced when initially used
**Summary:** Performance Management policies are not infiltrated well to the host stores of Malaysia. Their initial dissemination was deemed as destructive in building relations with local staff, particularly at general assistant and team leader level. Disciplinary processes are used for staff with conduct issues, but less formal approaches taken with capability issues.

### Organisational Shared Values

- **Values Awards**

  The Values are widely used throughout the stores and also the management hierarchy within Malaysia.

  - The Values system of reward and recognising employees achievements through acknowledging specific values is widely operated throughout.
  - Employees use the Values board and see the recognition of awards from managers in particular as a key motivational tool.

**Summary:** Values awards and system of recognition widely used through administration of parent documentation.

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6.4 **Discussion of research findings**

The next sections of this study review will summarise the findings by each research question. The key implications of these findings are then examined and discussed.

6.4.1 **HRM Policy**

The first research question posed required the researcher to *comparatively assess the infiltration of company HRM Policy through the company hierarchy*. The findings for this question proved acutely critical. The findings revealed that there is a clear difference between the occupational groups of how they perceive HRM policy at Tesco. This difference is cited not only between the occupational groups themselves, but also the knowledge of
HRM policy between the two geographical locations of the parent company in the UK and the host in Malaysia.

The occupational groups, namely Deputy Manager, Department Manager, Team Leader and General Assistant, expressed, through the analysis of the questionnaire results, a dramatic difference in their perception of HRM policy. Moreover, the one-way ANOVA analysis underlined that there were differences between the sub-groups of Department Manager and Team Leader versus the General Assistant population. The integration of the Personnel department also indicated that the General Assistant population had little comprehension of their role in-store, or even what HRM policies existed. This is distinctly different from the findings presented by the Team Leader and Department Manager populations.

The implications of these findings emphasise that there is a difference between the infiltration of HRM policies and the role of the Personnel function in-store. It is clear to see from these findings that the GA population have limited views about HRM in comparison to their higher-ranking colleagues. This could be perceived that the GA population are less engaged with the personnel role and policies than their managers. It could also be perceived that they receive less communication about these policies and have less interaction on a daily basis with the Personnel function as their roles do not require such engagement.

**Awareness of HR policies**

The findings in this study revealed that there was a distinct difference between the occupational roles and their understanding of HRM policy. In Table 4.3 in Chapter 4, it was noted under the theme of HRM Policy that, of the General Assistant population, 37.04% had No opinion and 32.10% disagreed with the items on the questionnaire, which highlighted the infiltration of HRM policy through the occupational job roles. It is evident here that there is a clear lack of understanding of HRM policy within this occupational job role, which may also indicate an issue concerning the content and mode of communication regarding HRM policy within the store. Within Table 4.3, it is also evident that more senior-ranking occupational job roles have a more informed perception of HRM policy. This is indicated with both the Team Leader and Department Manager roles responding at 61.73% and 65.40% who agree respectively. This demonstrates that there is a clear difference between the occupational job roles in terms of their perception of HRM policy in store. There is a
difference here in terms of the job role itself, as both the Team Leader and Department Manager form part of the management team communications strategy, which would suggest that they receive more detailed briefings in-store about HRM policy, but also that they have the opportunity to attend management meetings and become involved in debate. The General Assistant occupational role, on the other hand, may merely be briefed on any fundamental changes in a one-way style communication delivery. Additionally, the General Assistant role is much more operational so the time and opportunity to absorb and ask questions would be limited at this level.

Due to the fast-paced nature of the shop floor environment, there is less time to embed communications, particularly if the content does not directly relate to the individual’s immediate task or function in store. Additionally, the GA population’s primary function is concerned with operational tasks such as shelf filling, sitting on a checkout and serving behind a counter, so the amount of quality time spent in terms of embedding HRM policy will be very limited. This particular occupational role also is consumed with working their set hours, as they are monitored via an electronic clocking-in machine. Any additional time worked over their shift would be paid in overtime, thus limiting the window of opportunity for ensuring that HRM policy is embedded and fully briefed.

An important finding at this juncture is also based on the one-way ANOVA in Table 5.15, which highlights the difference between the GA population and the two management level roles of Team Leader and Department Manager. Here, it can be seen that the two management occupational roles have similar responses, but the GA population is different to both of the management occupational roles in terms of understanding HRM policy. By contrast, in the UK the General Assistant population is well-briefed in terms of HRM policy and clearly know their working rights equally as well as their more senior counterparts. Yet, these findings identify that the GAs in Malaysia are much less clear about what the HR department role is and recent developments within the HR function. In a recent study by Knezevic and Szarucki (2013), which focused on the internationalisation of retailers in Eastern Europe, it was discovered that the lower-ranking individuals within large retail organisations in the UK and other parts of the European Union were well-briefed on their working rights in terms of HRM policy compared to other developing economies, such as Poland and Croatia. This may also be due to the prominence of the shop floor workers’
union USDAW, which has representation from all departments in stores based in Tesco, UK whilst, in Malaysian Tesco stores, there is no union presence. Tesco UK prides itself on the partnership between the in-store management team and USDAW representatives, yet there are regular meetings and briefings where employees, particularly of the GA population, are encouraged to participate in debate on the subject of HRM policy. Additionally, all new initiatives from the HR function in UK stores must be briefed to the union’s representatives before being launched to the rest of the store population.

The Personnel Function and Personnel Managers

The findings of this study highlight that there was an issue of credibility of the HRM function and this was a concern for managers as well as other employees. As such, when questioned there was much in the qualitative findings that indicated the concerns of the managers in this particular area; further, there were suggestions made of the preferred behaviour that could be adopted by managers working within the Personnel function. Some of these traits included: strong preference for the Personnel Manager (PM) ‘to be seen on the shop floor more frequently; can interact well with both staff and customers; understands the issues of people through participating in the operational running of the shop; an ability to support general staff and identify their needs and less elitism; approachable and available on a consistent basis to both day and night staff; less bias to managers and greater fairness to general staff.’ Interviewee 12.

Additionally, they also wanted Personnel Managers to be leaders in their own right, to have the ability to challenge the status quo and to speak out for staff on the shop floor, as well as supporting the management team. This finding was also supported in the literature. For example, in relation to Western contexts, Gubman (2004) states ‘...and we will have to become stronger leaders – more ethical and more willing to speak out’. Similarly, Christensen (2006) writes that the Personnel Manager needs to be someone who has the ability to tell the emperor that he has no clothes on and then help him to refocus accordingly.

In relation to Malaysia, Rees and Johari (2010,) in their study of a public sector bank, also report similar findings which revealed managers’ expectations that HRM professionals should be more vocal in promoting effective HRM practices within their organisation. Thus,
in respect of the research question, the findings of the current study, although set in the retail sector of Malaysia, are remarkably consistent with the findings of other studies based in other national and sector contexts.

_Leadership begins at home, so HR leaders must lead and value their own function before anyone else will listen to them... A well-led HR department earns credibility, and the reverse is also true... HR leaders who do not face up to and implement HR practices on their own turf lose credibility when they present ideas to others._

Brockbank (2005)

The issue of the specific ‘type’ of person most suited to the role of Personnel Manager was also raised in the current study. The literature review offers some support to the suggestion that the HRM leader may not be someone with a full and experienced background in the knowledge of HR, but should be someone who can utilise the people around them using their own extensive strategic background: ‘talented strategic HR leaders will find themselves increasingly in the middle of strategic issues in the organisations in which they work’ (Christensen, 2004).

Similarly, Lawler and Mohman (2003) support the views that the head of an HR post must be someone with deep experience and has an extensive knowledge of the various aspects of human capital management; hence, placing a line manager within a HR manager’s role may work against a strategic partner role. This view is also supported by Buyens and Vos (2001), who advised that strategic level activities should be managed by elite senior HRM managers with the support of other managerial services.

**Integrating the Personnel Function into the business**

The findings of the study also unearthed a number of issues surrounding the integration of the Personnel function into mainstream business operations. This theme is particularly pertinent to the findings of the literature review, which emphasised the need for HRM to operate at a strategic level. Expressly within this study, the interviews conducted with senior managers within Tesco highlighted a concern held by some that the Personnel function was operating almost independently from the rest of the store. The interview data revealed that,
as part of the ongoing review of strategy within the Tesco Management team, there had been many discussions about integrating the function completely, so that the day-to-day routines of the Personnel function were moulded into the daily operational life of the duty manager. It was also a consideration that Tesco had already initiated this move, incorporating what were once seen as Personnel tasks, such as appraisal, disciplinary and staff development, into the accountabilities of department managers who could perform these duties more effectively given the close relationship that they already had with their staff.

Promotion from within
In the case of this study, it was found that a key strategy implemented by Tesco PLC was to improve the business orientation of the Personnel function by recruiting, training and developing in-store Personnel Managers from the wider workforce. This strategy was designed to ensure that those occupying the position had a good understanding of the culture and nature of the job. Yet, the qualitative interview findings indicate that this strategy was not altogether successful in accomplishing an aspect of HRM promoted within the literature reviewed. That is, in the case study organisation, the aim of appointing Personnel Managers with broad exposure to the business had met with limited success; further, the findings revealed that there was further development and integration of the role within the store team as a whole, with particular opportunity for the GA population.

Co-existing external recruitment
The findings, however, also highlight a second strategy adopted by the case study organisation in order to integrate its Personnel function into mainstream business activities. This strategy would improve its effectiveness in a manner that was complementary to the models of strategic HRM as discussed in the literature review.

This second strategy, designed to alleviate the tension and isolation of the Personnel function, was to employ external HR managers to introduce new ideas and ways of thinking into this organisation. That is, at times, the case study organisation deliberately recruited staff from outside the organisation to fill Personnel positions. This strategy has echoes in the views of Christensen (2006) and Buyens and Vos (2001), who advocate employing those into the HR function with express HR knowledge and experience. It is emphasised that the case
study organisation was, at the same time, as indicated above, seeking to fill other Personnel positions using the contrary strategy of promotion from within. Thus, the findings revealed two almost contradictory approaches. First, external recruitment for a Personnel Manager was seen to be beneficial for knowledge enrichment. Secondly, however, internal promotion and training was used to fill Personnel positions with people who had knowledge of both the retail sector and day-to-day operational considerations relating specifically to Tesco stores. Above all, this finding highlights the difficulties that the case study organisation was experiencing in seeking to integrate the Personnel function into mainstream business operations.

6.4.2 Managers

The research question here was designed to elicit the views, attitudes and aspirations of managers over different aspects of HRM practice and to explore the nature of their influence over changing HRM policies at a local level in the UK and Malaysia. Thus, the manager’s influence is a crucial aspect of this study. The semi-structured interviews raised a number of interesting points in terms of the interaction between staff and managers at Tesco PLC in Malaysia. It is worth noting the differences between the parent and host company, not in terms of audits and paper trails but in terms of practices and the culture. The researcher was fortunate to be able to interview expatriate managers who had, in many cases, lengthy service with Tesco in the UK and were able to appreciate the differences identified between the two sites.

Additionally, the quantitative findings in Chapter 4 highlighted some notable differences between the perception of managers between the various occupational roles in store and these will also be discussed in more depth in the next section. There are two fundamental themes to this section of the findings: Teamwork and Manager Engagement.

Teamwork

The study findings identified that the managers perceived teamwork between the occupational job roles worked effectively and was, in part, based on the Tesco Shared Values Framework ‘One team, the Tesco team’. That said, there was much discussion and
contention around how managers were rewarded for practising the teamwork values. It emerged through this research question that managers felt undervalued and that it was almost a given that they would stay and help if another department was struggling, or if members of the team had not finished their work yet; respondents noticed that there was no reward for doing so merely a common comment of ‘that’s why you’re paid a manager’s salary’. The manager’s commentary noted in the interview data indicates that this lack of recognition was prevalent in both the UK and Malaysian contexts. The expectation of working longer hours to achieve results would be much more greatly received by the management population if they were to be acknowledged through the Values system. The GA population is valued through the awards system for working longer hours.

Additionally, the findings revealed that General Assistants had much less knowledge of HR practices and were generally led by an individual with a higher ranking occupational role regardless of their own views, which were rarely expressed. Many of the interviewees stated that the General Assistant population performed effectively in teams if they were asked to do so. They would stay longer, but not necessarily for more pay or overtime purposes; instead, it was to satisfy their immediate manager. As discussed previously in Chapter 3, organisational documents on Tesco revealed that the HR processes follow standard company policies and practices in both the UK and Malaysia. One example highlighted here is the approach to inter-departmental and teamwork between General Assistants and higher ranking managers. This, in both the UK and Malaysia, Tesco employees are asked to identify during their daily communication meetings when and where good teamwork has taken place. This study has found that the lower ranking occupational roles remain silent when asked this question at the meetings; hence, managers would tend to provide the examples and, in some cases, gather examples, of effective teamwork for their own team before the meetings take place. The level of participation of lower ranking occupational roles was restricted in terms of them offering their opinion or providing discussion about their manager and, more specifically, on how teamwork was operating within their day-to-day routines.

This finding links in two key ways. First, that the individual employees identify that the parent company practices are perceived as being superior to their own, so do not challenge
the approach or process being administered (in this case, of teamwork) (Mariappandar, 2005). Second, the findings here identify that, instead of attempting to localise some of these practices, the host organisation attempts to transfer and imitate them (Westwood, Posner, 1997). Yet, in this case, this transfer and imitation was largely unsuccessful due to local culture and the behaviours of the Malay people. This highlights a crucial component in the transferral of Westernised practices from the parent company to the host as it identifies and confirms, in some detail, a major intervening variable: that is, the effect of cultural influences when embedding HR process and practice with the host company (Schuler et al. 2002).

- **Manager Engagement**

This section is underpinned by the findings of the quantitative chapter, which highlighted a number of notable differences between the occupational job roles and their perceptions of managers within the store. As can be seen in Table 4.6, the General Population has little opinion in terms of how they have responded to the perception of their managers, which is represented by 67.57% having No opinion. Yet, for both the Team leader and the Department Manager, 51.72% agree and 67.57% strongly agree respectively. This initially highlights that the GA population failed to offer a specific view of their manager, either positively or negatively. However, their more senior ranking counterparts were clearly positive in their response. As discussed by Zawawi (2008), the culture of the Malay people is not to challenge or openly direct views and opinions about their senior management, but to remain respectful of their job role. This underpins the findings within this section as there is clearly evidence that the GA population have answered the question, but have remained in the middle of the Likert scale, being not to cause offence either way. The one-way ANOVA test also supported this finding in terms of highlighting that the Team Leader and Department Manager were statistically different to the GA population.

The work of Tayeb (2008) explores the impact of culture on systems of work but, moreover, on the attitudes and beliefs of individuals within the workplace. It is also contested within this work that it is a variety of factors such as the political economy and cultural contingency which shape individuals’ attitudes and approaches to those in power or authority. Additionally, the work of Abdullah and Lim (2001) specifically carried out in the context of
Malaysia highlights the pluralistic culture of Malaysia and the variety of races that make up the cultural background. It is also worthy of note at this juncture that this work underpins the approach to those in positions of power or management and clearly emphasises that, by nature, the Malay people are content not to challenge and pass views on those in more senior positions than themselves.

6.4.3 Staff Development
The pertinent research question here sought to assess the management systems and the process for development within both the parent and host company. Two main themes emerged when addressing this question, namely Training and Tools to do the job.

Training
This study identified through the findings that the processes for Training for all occupational roles within the host setting were transferred from the parent company to the host site almost without exception. For example, in relation to the training programme for General Assistants, the name of each training module was the same in both contexts; even the management development programme had the same title, ‘Options’. This study has identified some key findings in the dissemination of these training processes. Yet, although the initial findings of the study appear to portray a degree of standardisation between the parent and host contexts viz-a-viz training provision, interview data revealed that training processes did vary between the two contexts in quite dramatic ways. This issue is discussed in more depth below.

Within Tesco, UK, regular training takes place for all staff such as General Assistants, Team Leaders and Department Managers; this training is largely determined by the Store Manager for each site. The process is administered using targets placed at the beginning of each financial year which are then broken into monthly training targets by department. In the Tesco, UK service area, training takes place using overtime monies to pay staff additionally, as this has to happen at quieter times and when the cashier can be relieved from the till to attend. Yet, when these practices were compared to those in Malaysia, it was found that different training practices had emerged in Malaysia.
For example, in Malaysia, Managers reported that members of staff were reluctant to be paid additional monies to attend training sessions because they perceived this as being ‘disrespectful to their manager who is working hard to promote and support their interests’ (Interviewee 10). This specific finding supports literature that internal work cultures can shape and enhance HRM practices at both micro and macro level (Storey, 2010). In the case of the current study, it is evident that the HR processes have been transferred from the UK with little understanding of how they would be received in practice by the local employees.

The approach to training in the host company Malaysian context was also hindered by the most basic of oversights; that is, the transportation of employees to additional workshop and training sessions. Thus, employees were asked to attend a larger store so that training could be delivered on a group basis. This proved problematic. Due to transportation problems, employees were absenting themselves from training; however, in doing so, they felt ‘disrespectful’ towards the company and their managers. This transportation issue was problematic even for many employees who did manage to attend the training sessions; these employees were reluctant to return to work post-training as it meant issues in travelling to an alternate location, as many lived and worked in the same town and rarely travelled outside of their local area. This finding supports earlier work by Kiggundu (1986), who expressed a concern that the external environment can be an ‘impediment’ to the successful growth and implementation of HRM in a developing country context. The findings of the current study provide evidence that MNCs in the present day are still making traditional mistakes when it comes to the issue of international people management.

In addition to the findings from the semi-structured interviews in terms of Staff Development, there were also quantitative findings from the questionnaire which underpin the differences as regards to Staff Development within the context of occupational job roles. In Chapter 5, the researcher presented findings that highlighted the questionnaire in terms of three specific themes, the last theme to be identified being Staff Development. At this juncture, it is worthy of note that the General Assistant population view of Staff Development differs in comparison to both the Team Leader and Department Manager.
As we have seen from the other two themes presented on HRM policy and the Perceptions of Managers, the GA population opinion appears to differ considerably from that of their counterparts. The descriptive statistics highlighted that the GA population failed to present a view either positively or negatively in respect of their opinion of Staff Development and, as a result, this occupational job category was defined by a 55.56% No opinion with only 19.44% expressing an Agree for this theme. In comparison, the two other occupational categories had positive responses of a 43.30% Agree for the Team Leaders and 52.90% for the Department Manager. In a similar manner to the HRM policy theme and Perceptions of Managers, the one-way ANOVA test also highlighted that there were differences between the GA population and the other two occupational job roles. These results appear to be consistent throughout this study, in that the GA population fail to commit themselves specifically to an opinion either way. As discussed within the previous sections, the main underlying factor here appears to be the cultural makeup of this particular occupational group and their perception of commenting and passing judgement on what could be perceived as a senior management-based investigative process. There are also other suggestions for the response of the GA population within this study, which are more deeply examined in the next section in terms of the communication processes within Tesco PLC.

6.4.4 Communication of HRM policies

The research question here aimed to examine communication systems throughout the company. More specifically, the study was designed to examine the modes of communication that existed in the case study organisation. Preliminary findings identified three key modes of delivering communication common to both the parent and host company; that is, Team 5, Daily update and Weekly Meetings. It is worth noting these modes of communication delivery as they were developed by Tesco UK with a view to encouraging employee participation and engagement. As such, the primary objective in launching such communication modes was not to deliver top down communication, but to encourage participation from staff within the process. Communication processes developed
by Tesco, UK were part of the initial scheme to engage employees and share ideas to build a wider participation.

The empirical findings of this study have demonstrated that, generally, employees across all occupational roles and age groups agreed that HRM policies were available to them (m=). Intriguingly, HRM communication appeared to satisfy those higher up in the store hierarchy more than those in lower occupational roles such as the General Assistants (m=).

Furthermore, the qualitative findings from the management interviews revealed that there were concerns with the quality of communication. Respondents from this study specifically shared concerns with issues of timeliness, transparency, inconsistencies in message content, and limited dialogue, with particular reference to HR processes and initiatives. Thus, according to the literature, this criticism of HRM-related communication is fairly common; however, in the case of the current study, the criticism extended to managers working in both the parent and host country and also across occupational levels and occupations. This study provides further evidence that the reasonable demand from employees to: ‘have adequate and unambiguous information in order to function effectively in a social context and make accurate attributions about a situation’ (Bowen and Ostroff, 2004) is both widespread and difficult to achieve.

To communicate effectively within such a fast-paced environment, communication has to be strategic; that requires an effective and proactive approach to identifying who the target audience is and which specific vehicles of communication can be most effectively adopted to reach them (Jenkins, 2004). Additionally, it is imperative that the communication is pitched at the right level; as pointed out by Reddy (2006), this is not just a case of transmitting information, but also identifying a medium for education, guidance and steering things in the right direction. Ulrich and Brockbank (2005) insist that HR communicators accurately select and present the most critical messages through various formal and informal communication channels. The success of this communication strategy will inevitably influence the perception of the Personnel function brand or image.
In this vein, Argenti (1998) argues that communication is critical to getting workers to become more productive, as more interaction gives managers more credibility with employees, which can be a tremendous asset in both good and bad times.

In conclusion, this study highlighted that the perceptions of managers and employees, in both the parent and host country context, is that the Personnel function needs to be at the heart of the communication process. Moreover, the findings indicate that the Personnel function needs to understand what specifically constitutes effective communication; yet, as demonstrated by the findings of this study, this understanding is relatively difficult to achieve in cross-cultural business activities. Gandossy & Effron (2004) note that sterile, passionless messages, which are crafted by the corporate communication machine, will fail to engage employees and consequently lose their connection. What is highlighted by the findings of the current study is that assumptions should not be made about what constitutes sterile or passionless messages in any given context. On the basis of these findings, it is also noted that importance should be placed on the relationship between corporate communication and that required at a local level, as communication and people management activities can no longer be seen as separate entities. This, therefore, alludes to the fact that the effectiveness of one depends on the effectiveness of the other and the logical process would be to combine them as a single management task (Turner, 2003).

For organisations in the retail sector, timely and effective communication is extremely important for staff and customers alike. This study examined the current practices of Tesco PLC in terms of their in-store communication policies. As the qualitative findings demonstrated, the communication practices have varying degrees of success. Moreover, this study has underlined that both the practices of communication and also the language in which communication takes place are problematic. This is also reflected in the literature, ‘You can communicate all day long in your modality and nothing may happen, but talk five minutes in the followers’ language and the world becomes ripe for transformation’ (McMurray, Rosenke, 2005). The findings of this study support this statement; but, with reference to the parent and host country contexts, the findings shed additional light on the sheer complexities of, in the words of McMurray and Rosenke (ibid), constructing a talk of “five minutes in the followers’ language”.

Kate E Rowlands
6.4.5 Strategic HRM

The findings of this study have illustrated the centrality of strong and informed leadership to effective HRM. For example, in the interviews, representatives of the senior management teams emphasised the importance of strategic HRM; they also supported Parent company initiatives to support HRM in stores and to reflect the needs of the diverse workforce. These initiatives included flexible working arrangements for employees, competitive remuneration packages for shop floor staff, and staff discounts and benefits. This approach to HR-focused leadership is consistent with the works of Gandossy and Effron (2004), who observed that, when leadership is institutionalised, organisations need not be dependent on one single leader to drive what they do rather than cascading knowledge through the hierarchy for a ‘one team’ approach. Thus, in the case study organisation, leadership appears to be strongly determined by the main board of directors of the parent company. The CEO was seen to be integral in providing an outline for international operations of Tesco PLC stores based around the globe. Similarly, the organisation’s ‘Policies for People’ leadership agenda was carefully moulded into the strategic vision of the company, which has shown an enormous commitment to the people management agenda.

This study has highlighted, however, that a ‘one size fits all’ leadership approach does not always work effectively, particularly when there is a strong disparity between parent and host national and organisational cultures. As Sadler (1994) and LaMarsh (2004) express through their works, there is a necessity for deep involvement and influence of the top management in the designs of organisations. Through the findings of this study, it is clear that top management of the case study organisation did have extensive knowledge of the design of the organisational strategy; however, they did not have a clear leadership strategy that contained flexibility and adaptations and which recognised geographical and cultural variations. Arguably, Christensen (2006) notes that top leadership must produce a clear business plan that articulates throughout the company a defined strategy and clear set of choices which will support the organisation in the competitive market place. This view is also supported by the works of Zhu, Chew and Spangler (2005), who established that transformational leadership tended to have a clear vision of what the company is going to do and is also more likely to create human capital-enhancing HRM practices.
This study’s findings also bring about the question not only of leadership but also whether, in this case, the Personnel function was seen as value adding by the leaders and top management. It is evident throughout this study that the relationship between HRM practices and the operational running of the stores was complex; moreover, there was also a perception of some managers that Personnel staff were ‘office bound’ and lacked engagement with the reality of retailing with staff and customers alike. This finding is supported through the earlier study by Othman and Poon (2000), who identified that HRM has a stronger relationship with management orientation than with competitive strategy.

Much of the HRM literature has deliberated on the fit between HRM strategies and business strategies (Salaman et al. 2005; Legge, 1995; Storey, 2001). The current case of Tesco PLC found that the organisation promoted one HRM approach (the ‘Steering Wheel’), which was transferred from the parent company to all the host sites across all geographic and cultural boundaries. Yet, what this study also found was that the transferral of the Steering Wheel to local levels, where targets and baselines were set locally, in accordance with the local needs and requirements of the local labour market, created HRM practices that were detached from this policy. As such, it is noted within the context of this study that the overall policy framework acted as just that; that is, it was a framework that was interpreted and implemented in a variety of dramatically different ways between stores.

Absence Management

As noted above, the existence of an overall HRM strategy for the case study organisation did not prevent varied HRM practices emerging in the parent and host country contexts. This finding particularly applied to practices surrounding absence management. Thus, while the formal absence policy of the organisation, as detailed in the HRM strategy, prescribed a procedure for dealing with employee absence, it was found that this procedure was rarely implemented in the host country stores in Malaysia. Rather, in Malaysia, the format of absence management practices had been adapted to store level, which, in terms of standardisation, was problematic for the Personnel function.

These variations in absence management practices in stores in Malaysia can be explored further with reference to factors such as prevailing mores and workplace demographics. For example, the majority of lower-ranking occupational job roles were held by lower-educated...
local Malay people and, as a result, these employees were working to support a low-income household. Local store managers perceived that strict processes of absence management must be upheld in Malaysia to ensure that employees did not take advantage in terms of too many sick days, time off for school events and persistent time off with minor injuries such as back pain. On further examination, it was established that absence rates in Malaysian stores operated at less than 1%. In comparison, Tesco, UK set their absence targets based on geographical location and the store history of absenteeism. Therefore, there can be huge variations in absence rates between stores. That said, Tesco, UK set a company target of 5%. This is based on the variations between the stores given that Tesco has over 700 operating sites in the UK. In Malaysia, their central target is set at 5%. During the interviews, a concern by several store managers was raised as to why this absence target was still on the Malaysian Steering Wheel. The literature highlights this very concern, in that multinational companies fail to not only adapt their HR practices to their local environment, but they also fail to mould their HR processes to reflect current practice in the workplace (Budhwar, 2001).

This case of differing practices relating to absence management in the parent and host country store is of direct relevance to the question of how HRM practices should be transferred. The literature review revealed that there are commonalities in the way HRM is influenced by culture and traditions in the Asia Pacific region (Debrah, Smith, 2000). Yet, in the current study, this MNC sought to transfer absence management practices to a transitional context, apparently without reference to the cultural practices and traditions of the country in question. It is also worthy of note that, during the interviews, the locals within this study context did not readily question or challenge such practices (Jaegar, 1993).

6.4.5 Performance Management

Another key area examined under the research questions was ‘To elicit the views, attitudes and aspirations of Managers over different aspects of HRM practice and to find out the nature of their influence over changing HRM policies at a local level in the UK and Malaysia.’

The key finding from this section of the study indicates that the formal documents used in the parent operation to manage employee performance are rarely used at all within the
context of Malaysia. The managers who were interviewed as part of this study confirmed that, although the formal documentation and frequency used in the UK was extremely beneficial within the context of Malaysia employees, including middle store management such as Department Managers, they found the processes ‘confrontational’ and ‘aggressive’.

Further findings elaborated on the specific role of the 360 feedback. It was confirmed that this process had not been well received amongst the management team in-store, who claimed that the process made them feel ‘intimidated’ and created trust and loyalty issues among their colleagues which had not existed before.

This finding pertains to the issue of cultural understanding by the parent company. This is also conclusive in the literature review of this study, whereby cultural acceptance was discussed. This viewpoint is shared by Hamzah-Sendut (Johari 2006), who expressed that ‘in Malaysian society, the manager cannot expect to detach from tradition, values and beliefs of the society in which he operates’. Yet, within the context of this study, Tesco, UK have had little empathy for their host workforce, as the study findings conclude the HR practices they have enforced have had no consideration for host values and customs.

In particular, the culture of Malaysia is prevalent within the context of these findings, as can be seen within this section concerned with the process of 360 feedback. It is supported in literature by authors such as Hofstede (1999) and the later works of Lim (2001a), which revealed that Malaysia’s cultural dimension was High Power Distance. It is clear from these two theorists the dimension of culture for Malaysia, although some consideration must be given to the fluctuation between Hofstede’s model and that of Lim due to the timescales of the two studies and the changing environment within this time frame. This is summarised in Table 6.2 below.

Table 6-2  Malaysia’s changing Cultural Dimensions

<table>
<thead>
<tr>
<th></th>
<th>Power Distance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Uncertainty Avoidance</th>
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<tbody>
<tr>
<td></td>
<td>The degree of equality or inequality between people in the society reinforces individual or collective</td>
<td>The degree the society reinforces or does not reinforce the</td>
<td>The level of tolerance for uncertainty and ambiguity within</td>
<td></td>
</tr>
</tbody>
</table>
country’s society | achievement and interpersonal relationships | traditional masculine work, the role model of male achievement, control and power | the society, i.e. unstructured situations
--- | --- | --- | ---
Hofstede (1991) | HIGH | LOW | MODERATE | LOW
Lim (2001) | HIGH | MODERATE | MODERATE | HIGH

Source: Synthesis from Lim (2001a)

6.4.7 Organisational Shared Values
The Organisational Values were examined under the research question ‘To elicit the views, attitudes and aspirations of Managers over different aspects of HRM practice and to find out the nature of their influence over changing HRM policies at a local level in the UK and Malaysia.’

6.4.7.1 Values Awards
This section highlights the main points for discussion to the findings, specifically within the Organisational Shared Values. In Chapter 3, the Tesco Values were described in detail alongside the processes that define the values in store, such as awards for praising employees of all levels. The main findings for this section concluded that the processes for ‘living’ the values amongst staff are the same as those for the parent company operations. However, the significance of these findings has illustrated a vast difference in the engagement of employees within the administering of the awards and collation of examples of exemplary staff performance within the values system.

The Values system in the parent company operates on a nomination-based approach, whereby examples of the values being practised by employees are posted on noticeboards and exemplary behaviours are awarded at managers’ meetings to all ranks of the occupational job roles within store. It is this very process of nomination and identification of exemplary behaviour that is significantly different to the parent company, as employees below Deputy Manager level do not participate in identifying their colleagues at any point.

On further investigation, it was noted by the researcher that the Values systems worked well in terms of employees enjoying being rewarded, but would not seek to promote their
fellow workers through the system. In terms of literature, these findings support cross-cultural research (Fontaine and Richardson, 2005; Selverajah and Meyer, 2008), which has demonstrated that Malaysians tend to be more indirect when communicating, particularly when faced with the task of having to choose or disappoint, as they are particularly feared by the concept of upsetting the other party. Additionally, this research also illustrates that Malaysian employees are generally group-orientated, which underlines their approach to be respectful of their elders, as well as the hierarchy that emphasises their loyalty and need for harmony. This concept is further highlighted through the work of Lim (2001), whereby it was revealed that Malaysia’s cultural dimension is High Power Distance (HPD).

The influence to this study of the supporting literature on HPD countries emphasises that Malaysia employees pay a great deal of respect and attention to hierarchy, honorific titles and social standing (Johari, 2006). As a result, the Malaysian employees would find it incredibly difficult to identify individuals to receive a Values award within the context of this study for fear of upsetting or ostracising a colleague. Moreover, they would also struggle to identify individuals displaying reward-worthy behaviours from the management team as they pay respect to all managers and not just one individual.

By contrast, more recent research (Fontaine, Richardson, Foong, 2002) highlights that Hofstede’s theory (1980) does not fit within the context of Malaysia. These authors advocate that the work of Schwartz (1994) and the Cultural Framework can be more appropriately applied to the context of Malaysia (Drogendik and Slangen, 2006).

It is imperative at this point to highlight within the context of the Malay culture the influence of religion. Given that this study was set in the context of Malaysia, it is worth noting at this juncture the influence of Islamic values in the workplace. In order to discuss this issue further, it will be beneficial to recapitulate what Islam is. The word Islam is an Arabic word meaning peace, submission and obedience and, in the religious context, the word Islam means total submission to the Will of ALLAH and obedience to His Law (Anon, 2006b). The holy book, the Qur’an, is the foundation of all knowledge in which the spiritual, social, political, personal and family life of a person is presented (Ball and Haque, 2003). Thus, Islam to Muslims is a way of life. As such, managing Muslims and their Islamic values in the workplace will pose many challenges in terms of meeting their spiritual, dietary and
dress codes. In this study, the findings illustrated that this challenge is manageable, but it has presented some answers about why some of the Western-based processes have not been embedded particularly well by the local employees. As this study has concluded, Tesco UK has attempted to transfer Western-based practices without consideration for local needs and requirements. Within the literature review, it is highlighted by Budwar (2007) that, in order to be successful as a multinational company, emphasis must be placed on local customs and religious orientation.

In this study, interviewees highlighted that there had been several attempts made to encourage employees in Malaysia to challenge their own culture in light of the nominations for values awards, as this provided a more equal approach to the values system. Although the Store Managers in Malaysia were expatriates from the parent company, they have struggled to manoeuvre with the ‘strong pervading culture’ of their employees. During the interviews, this was notably one of the key areas of concerns for the expatriate management team, as they came to realise that success in the store is not necessarily given through the detailed processes transferred from the parent company; moreover, the interview data revealed the recognition among these store managers of the need to accept and be sensitive to the multicultural setting and adapt some of the processes to the local culture. That said, it is also highlighted that the new store managers struggled to fit in and found that initiating new ideas and attempting to create an exchange flow from shop floor staff through to managers was remarkably difficult, if not impossible. By contrast, the parent company operations at store level thrive on employee participation and engagement and, in particular, the development of ideas that make their lives easier and more rewarding. It is crucial to mention at this point that the Values systems was developed by General Assistants and store staff in the parent company setting.

6.5 Synthesis of Study Aim and Objectives
This chapter so far has reviewed the findings of the study aligned to the research questions presented in Chapter 3. The next section of this thesis will address the overall findings within the context of the study’s main aim and objectives. The study aim and objectives can
be seen in Table 6.3, whereby the overall research aim and objectives have been mapped against the main findings.

<table>
<thead>
<tr>
<th>The Aim of the Study</th>
<th>Objectives</th>
<th>Main Findings</th>
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| To examine the organisational framework of Human Resource Management within the UK and Malaysia with a particular focus on how the parent and host company interact to shape the process and delivery of HRM policy. | **1. The adoption of Westernised HRM practice.** To situate the case study in the context of HRM. To establish the policy and practice in terms of each country | • HRM at strategic level strongly mapped as part of overall company strategy  
• The People Quadrant clearly developed for both UK and Malaysia with targets for each segment to maintain consistent approach  
• Host led by parent company practices in the People Quadrant, yet locally diverse by store  
• Variances in communication systems |
| **2. The organisational structure.** To identify company factors influencing HRM policy and practice in the transferral of HRM between UK/Malaysian operations and gain insights to their differences. |                                                                                                                                             | • Widespread use of expatriate management team to develop practices in Malaysia stores  
• Consistent approach between management structures led by parent company  
• Management development supported by host stores, yet led by expatriate store managers |
| **3. The hybrid approach.** To investigate how HRM is perceived by managers and staff throughout the company |                                                                                                                                             | • Vast differences between occupational job role opinion and impressions of HRM at store level  
• Perception of Personnel function poor in lower occupational roles |
Table 6.3 illustrates the main study aim and objectives that have been mapped against the main findings for the study. The next section will discuss each of these objectives and their findings in more depth. The central finding of this study reveals that the design of the overall company strategy for Human Resource Management has critical implications, not only for the practice of HRM within the organisation, but for the consistent practice of HRM throughout the company as a whole. In using the term strategy, the examination within this study has focused largely on the dissemination of the Tesco Steering Wheel. As such, the findings have emphasised that the Steering Wheel usage is widespread throughout both the UK operations and Malaysia. In terms of consistency, this appears to be a robust approach; yet, as this study concludes, the delivery of such a Western-based process has proved to be fraught with issues.

**The adoption of Westernised HRM practice**

The central finding of this study reveals that the design of the overall company strategy for Human Resource Management has critical implications, not only for the practice of HRM within the organisation, but also the consistent practice of HRM throughout the company as a whole. In using the term strategy, the examination within this study has focused largely on the dissemination of the Tesco Steering Wheel from the parent company to the host subsidiaries. As such, the first main finding emphasised that the Steering Wheel usage is widespread throughout both the UK and Malaysian operations. In terms of consistency, this appears to be a robust approach; yet, as this study concludes, the delivery of such a Western-based process has proved to be fraught with issues.

The second finding identified that the people quadrant had processes and procedures that were clearly linked to the overall company people management strategy. As such, this study concluded that the measures within this segment were well-structured. However, this study did conclude that the adoption of such measures in the host stores of Malaysia were extremely problematic. It was found that the measures were adapted to suit local needs within the stores based in Malaysia, as those centrally-based measures were deemed irrelevant and not fit for purpose.

The entire approach of Tesco PLC is underpinned through their Core Values statement, ‘*One Team, The Tesco Team*’. However, this study has concluded that, although this is true when
transferring such HR processes to Malaysia, this statement became shaped to fit the local environment. As such, the third finding concluded that local customs and cultures were prevalent within the host sites and, as such, formed the foundation for HR practices in Malaysia. The managers seconded to the Malaysian stores adopted their experience of Tesco UK people management practices to suit the needs of their local workforce. It was also identified through this study that the Steering Wheel in Malaysian stores kept their titles, by people quadrant measure, yet the practice which accompanied such a title varied dramatically between host and parent stores.

The fourth finding within this section pertains to the aspect of communication. The results of this study have highlighted major reservations about the process of communication, which has resulted in a variance within the store in terms of how communication takes place. Notably, communication within the parent company is clearly defined through a steering wheel process, yet the results for this study have clearly demonstrated that the consistency and approaches within the host stores are very different.

**The organisational structure**

This objective focused on the examination of the company structure in terms of the management team in supporting the penetration of HR processes from the parent company through to the host subsidiary. As such, the first finding within this objective was the large number of expatriate managers which were used to support the Malaysian Tesco operations. In all of the stores examined within this study, the Store Manager was an expatriate. Additionally, the wealth of experience that the expatriate workforce held was a minimum of five years at work level 3 or above. This study concludes that such an over-reliance on an expatriate workforce is alarming, particularly given the rigidity of the people management strategy.

The second finding within this objective concluded that Tesco Malaysia was developed to reflect the management structure of the UK workforce. Occupational roles were consistent with those in the UK and structured so that the individual spans of controls were exactly the same. The responsibility and accountability in terms of the management roles were reflective of those in the parent operation. Additionally, it was found within this study that the development programme also operated within the same format as Tesco UK.
The third finding within this main study objective pertained to management development. This finding concluded that the documentation and the processes utilised in the UK to assess in-store promotions were extremely similar. It is worth mentioning at this juncture that the in-store development plan for managers was led in Malaysia by the expatriate managers on secondment to Malaysia. The local managers did not participate in such recruitment processes.

The Hybrid Approach
This objective proposed to examine how HRM was perceived by in-store employees. The first finding within this section pertained to the differences between the occupational job roles in-store. It was found through this study that, the higher the rank in-store, the better the perception and understanding of HR policies by the individual. In particular, it was concluded that the General Assistant population had very little knowledge of the HR processes and practices in-store.

The second finding concluded, alarmingly, that the same occupational role also had little understanding of the Personnel function in-store and their duties. The latter is clearly of immediate concern, as this is the function as proposed through the Tesco people management strategy that will support, coach and advise individuals within the workplace.

6.5.1 Discussion Summary
Overall, from this study it can be observed that the transferral of HR practices from the parent company to the host subsidiary site is a cause for grave concern. The host stores themselves are run by UK expatriate managers who do not have any autonomy in terms of localising HR policy and practices. As such, the HR policy is enforced by the parent company, which results in the host stores localising the people quadrant on an ad hoc basis. The personnel function is besieged with numerous internal challenges and is also laden with a credibility issue among the other departments within the store. This is even more pertinent an issue as the personnel function is deemed as ancillary to the core business of retailing. This study has also underpinned the dramatic differences between the occupational roles in store in terms of how they perceive HRM policy, their Perceptions of Managers and Staff Development, which appear to be underlined by cultural values and norms of the host country, which have not been considered by the parent company.
6.6 Implications for action

The findings of this study have many implications for both practice and research given the context of the study in terms of the retail industry, but also the geographical location using Malaysia as a case study country. The significance of this study’s findings will be discussed in terms of their possible implications as a starting point within the context of Tesco PLC, which will be addressed in the next section.

6.6.1 Implications for practice

From an organisational perspective, for those within Tesco PLC there is a chart which highlights the key findings of this study and which is accessible to the senior management for their perusal. Overall, from a theoretical perspective, the issue of a uniform approach to the HRM strategy is strong throughout this study and must not be overlooked. It is apparent from this thesis that Tesco’s uniform approach to both their strategy and people management agenda is consistent from parent to host, which is of importance. The transferral of policy is consistent between parent and host stores. That said, this study does emphasise that, in practice, the uniformed approach transferred from the parent company to the host is not well-administered within the case of Malaysia; plus, there are significant discrepancies between stores in Malaysia and the overall ‘one vision’ approach of the parent company in terms of the dissemination of the Steering Wheel measures.

Another important aspect from this study’s findings which should not be neglected is the communication strategy. Within this study’s findings, it is imperative to underline that poor quality messaging and also inadequate communication, particularly between in-store departments, is one of the contributing factors for the perceived poor image of the Personnel function at Tesco PLC. The Personnel function may work tirelessly to support, monitor and appraise employees and managers at store level; yet, it is apparent that, because their message is not always received or communicated well, much of this work goes unnoticed by staff and department teams alike. As suggested by some of the respondents within this study, it may be beneficial to adjust some of the rigid communication methods in store and permit Personnel Managers and their teams more of a freewill approach to communicating specific HR briefs, utilising department managers and team leaders to
collaborate with the function at all levels across the store. This should also be considered not only for those external to the personnel function, but also those operating within it, as commentary from the interview concluded that some members of the personnel function didn’t understand some of the messages they were being asked to relay. Notably, the departments which struggled with receiving consistent communication, such as the front end service areas, may also perceive the lack of engagement with their personnel department as being negative. From the literature, it is interesting to note that, some 20 years previously, academics debated the same issues as reported by Friars and Gogel (1987):

*Employees prefer to hear news from their own managers... non communication not only creates resentment and fears, it also makes lower level managers look foolish when they are not told either. If managers are not generally aware of what is going on in the company they are seen as powerless; a characterisation that spills over in their effectiveness... research studies have shown that the satisfaction of employees receiving good communication from managers can be as much as 100 per cent higher than the satisfaction of employees who rate communication as low... the difference is in management practices – communications being the biggest factor.*

It is also worthy of note at this juncture that, given the nature of the HR work at Tesco stores, they struggle to recruit external HR professionals and so utilise an organic growth strategy to support the function in-store. That said, the findings of this study also indicate that even home-grown talent faces much discourse with the management teams in store, particularly in terms of floor presence to regular engagement with staff and managers.

6.6.2 Contribution to the body of knowledge

There are many academic articles that highlight the outcomes of strategic HRM, but there appears to be a distinct lack of articles written within the context of research-practitioners. This study contributes to this scarcity by providing a realistic account of HRM in the workplace and also encapsulates the multi-constituents approach through the participation of General Assistants, Team Leaders, Department Managers, Store Managers and Directors and confirms their views on HRM systems, which have been previously neglected in the HRM literature. This study has also contributed to our understanding of the contextual
reality of Human Resource Management within an organisation, not just within the context of a multinational retail organisation, but also within an emerging economy such as Malaysia which, within this context, is strongly lacking in the HRM body of knowledge.

This study has also reaffirmed the view that there is no singular best approach or universal HRM framework. This study has emphasised that HRM processes have to align themselves to their environment and specific context as there are too many other variables which influence the approach. From the earlier review of the literature, it was concluded that there was an absence of one particular HRM model by academics that would fit this case. HRM models also assume that communication is not an imperative part of the success, yet this study underlines that the communication element must be made explicit as it has major implications for the overall credibility of the HRM function, especially within the context of Malaysia.

This study adopted a mixed methods approach to examining the data, which illustrates that HRM research could benefit from other methods of data examination. The study began as a three-methods approach using organisational documentation, survey and semi-structured interviews; yet, after an initial examination of the organisational documents, it was decided that it would be more beneficial to tailor the data collection to two methods. The review of organisational documents was initially adopted to identify process-led HR processes within Tesco and how these were transferred between parent and host company. Upon review, it was identified that the processes were the same and so this section of data collection was incorporated into the methodology to add value in establishing the research methods.

The two methods of data collection, using a multi-constituent sample, have generated a rich base for discussion and helped to triangulate the information collated. The use of the questionnaire to reach the lower-ranking occupational jobs within stores at Tesco PLC proved beneficial, as the researcher captured views from various geographical locations within Malaysia, as well as of various occupational roles that would be difficult to gather in another format. This provided the researcher with an ‘employee voice’. The semi-structured interviews then permitted the researcher to elaborate further on some of the questionnaire themes. The methods of data collection employed within this study have allowed the researcher to determine the strategic context within which the enquiry is taking place,
which is supported through the literature as being limited in academic research (Hartley, 2001).

Another positive note from this research design has been the decision to utilise the ‘No Opinion’ on the Likert scale. On reflection, this has been beneficial as the lower ranking members of the sample abstained from answering specific questions, particularly those directed towards views and perceptions of their own managers, which is a notable cultural implication for this research. The design of the study has also supported the literature perspective in terms of the value of the HRM function, which is defined not by what happens inside the Personnel Manager’s office, but what the employees and customers receive from the function through delivery of policy and practice (Buyens and Vos, 2001; Ulrich, 1997).

6.7 Limitations of this study

This study has managed to highlight a number of elements that illustrate why the transferral of HRM practices between the parent and host country sites are fraught with issues; moreover, within the context of this study, why on paper Tesco has the same policies and process yet, in reality, the practices are extremely different. There are a number of caveats to be noted.

The most important limitation lies with the fact that the researcher is a practitioner-researcher. Due to the previous professional experience of the researcher, access was granted through a snowballing sample approach. That said, the researcher found that the study was hindered by specific employee obligations pertaining to the release of information that may harm or damage the company image. It is worth noting, particularly in light of the study main aim, that full access was granted to all information and interviewing of staff by the main board HR Director based at the parent company; yet, when approaching the lower-ranking officer within the host site, access became limited. The interview sample became significantly smaller than anticipated and the content was permitted to be discussed, yet not recorded. It was also permitted for interviews to take place in neighbouring Thailand. In terms of the literature (Smyth and Holian, 1999; Perriton, 2000), it was identified that researcher-practitioners can be torn between exposing the
undiscussable’ organisational issues and the perceived long-term action of doing so in terms of their own career progression, particularly if the researcher is still in post within the organisation. In terms of this, the researcher used documentation that was readily accessible and access was eventually granted to interview in Malaysia.

The second limitation pertains to the fact that this study was carried out within the specific context of the retail industry. This fact makes the research unique, but also this may limit the generalisability of the findings to other organisations in different fields. That said, the study does provide specific areas for future research in section 6.8 below.

The third limitation was concerned with some methodological issues and the need to avoid socially desirable responses to the rating scales and interview questions. The provision of the ‘No Opinion’, although relevant in giving an option for those not wanting to express a specific opinion, did limit the analysis of the results to an extent as there were some groups that consistently gave ‘No Opinion’; it would, therefore, have been interesting to have examined these in further detail, particularly in terms of a cultural implication. Future works may benefit from having an option to follow-up some of the groups following on from their responses to the questionnaire to enable an examination of the ‘No Opinion’ in more detail.

To conclude, this study specifically reviewed those policies and practices relating to HRM transferred from the parent company. It may be beneficial for future works to review within the study the context of national cultures and the implications of localised practice. That said, the following discussions based on the analysis of the findings within this study have demonstrated the relevance of national culture.

6.8 Recommendations for further research

This study has presented the plight of the multinational retailer in terms of transferring both policy and practice from the parent company to the host subsidiary. This, arguably, has had a detrimental effect on the people attempting to embed HRM routines that clearly cannot be embedded in such a culturally opposed environment such as Malaysia. The result of the attempt to embed prerequisite HRM policies and practices has led to a clear divide between
the occupational hierarchies within the store and, moreover, the question of what will happen once the supporting expatriate Store Managers return from their secondments.

There is still much more that can be examined within the context of this initial research. Within the sample of semi-structured interviews it was noted that the entire population was of expatriate level 3 managers. Further investigations would be useful to explore the host stores once the majority of these secondment managers have returned home; also, to analyse the process of how replacements will be recruited and selected, or whether they will merely be replaced with new expatriates.

In addition, it can be seen from the sample of interviewees that the majority are male within the level 3 management category. It may be useful to examine in future works whether expatriates will be more balanced between the genders or remain male-dominated.

This study examined the HR policies and practices transferred from the parent company, yet further investigations could examine how these policies and practices have either been developed further to suit local needs, or eradicated completely as their relevance has proved futile. There is also room to explore further the influence of local employment laws on HR policy and practices in Malaysia as this study has not considered in any depth the influence that such laws may have on processes such as working hours, equal opportunities and employee benefits.

7.0 Personal Reflections

Throughout this study, it has been a conscious decision to ensure that my personal opinions and experience have not been promoted so that I can pursue this research in an objective manner. At this juncture, it can be noted that my perception of Tesco PLC and the manner in which it operates, both in the UK and Malaysia, has not been unfounded. Tesco has many HR practices and policies, which are detailed and well-presented; yet, as this study concludes, the execution of such practices and policies is limited without the extensive commitment and understanding of the people working within the organisation.
The Ph.D journey has been a time of immense challenge of managing a career and also scheduling time for study alongside family life. Yet, within this period I have discovered the most valuable component of this journey has been the ability to reflect on my own work. This knowledge will be cascaded to my own students to support their journeys in academia.

Finally, I have found that the friendships I have developed throughout the process of the Ph.D journey, through interaction with colleagues and other students, have been unprecedented. The laughter and camaraderie that we have shared will stay with me for a lifetime.
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SURVEY QUESTIONNAIRE: Examining how Human Resource Management policies and practices are transferred within a Multinational Company; The Case Study of Tesco PLC.

General Information: This questionnaire is to assist my Ph.D research at The University of Manchester, UK. The information collected will aid my analysis of the issues relating to transferring Human Resource (HR) policy and practice in a Multinational Company.

Your candid responses to the questions in each of the areas are greatly appreciated. There are no right or wrong answers. The response to this survey will be treated anonymously.

The survey is divided into three sections and should take you less than 10 minutes to complete. Please answer all the questions.

Rating Scale: Please indicate your response by selecting the appropriate number below each statement.

Thank you for taking the time to complete this survey.

* Required

1. I am aware that there are established HR practices and policies at Tesco. * 1 2 3 4 5
   Strongly Agree Strongly Disagree

2. I can easily access the Company HR policies * 1 2 3 4 5 Strongly Agree Strongly Disagree

3. The HR policies are regularly updated * 1 2 3 4 5 Strongly Agree Strongly Disagree

5. My Manager spends time with me regularly 1 2 3 4 5 Strongly Agree Strongly Disagree

6. I have daily team meetings to discuss the store performance

Appendices
2/21/13 SURVEY QUESTIONNAIRE: Examining how Human Resource Management policies and practices are transferred within a Multinational Company;

https://docs.google.com/spreadsheet/viewform?fromEmail=true&formkey=dDFoRVozOGlXVEkzR3JoLUozZjlzZnc6MQ

1 2 3 4 5 Strongly Agree Strongly Disagree

7. The Steering Wheel is used to outline my performance targets 1 2 3 4 5 Strongly Agree Strongly Disagree

8. I have regular Performance Reviews with my Manager 1 2 3 4 5 Strongly Agree Strongly Disagree

9. I receive regular training for my job 1 2 3 4 5 Strongly Agree Strongly Disagree

11. We practice the Company Values with my peers, subordinates and Managers * 1 2 3 4 5 Strongly Agree Strongly Disagree

12. I find my work interesting * 1 2 3 4 5 Strongly Agree Strongly Disagree

13. I can always ask for help and advice if I need to * 1 2 3 4 5 Strongly Agree Strongly Disagree

14. I receive regular feedback on how I am performing * 1 2 3 4 5 Strongly Agree Strongly Disagree

15. My morale is important to my manager * 1 2 3 4 5 Strongly Agree Strongly Disagree

2/21/13 SURVEY QUESTIONNAIRE: Examining how Human Resource Management policies and practices are transferred within a Multinational Company;

https://docs.google.com/spreadsheet/viewform?fromEmail=true&formkey=dDFoRVozOGlXVEkzR3JoLUozZjlzZnc6MQ

16. I find the Personnel department useful and helpful 1 2 3 4 5 Strongly Agree Strongly Disagree
17. The Personnel Department form an integral part of the team at Tesco * 1 2 3 4 5
   Strongly Agree Strongly Disagree

18. There are opportunities for promotion should I wish to pursue them * 1 2 3 4 5 Strongly
   Agree Strongly Disagree

20. I am able to give constructive feedback to my Manager * 1 2 3 4 5 Strongly Agree
   Strongly Disagree

21. We all work as one team * 1 2 3 4 5 Strongly Agree Strongly Disagree

22. There is a good system for communicating to others within my place of work * 1 2 3 4 5
   Strongly Agree Strongly Disagree

23. I have access to the tools which help me do my job well * 1 2 3 4 5 Strongly Agree
   Strongly Disagree

24. I understand the Company's objectives * 1 2 3 4 5 Strongly Agree Strongly Disagree

26. The Managers form good role models for behaviour within the store * 1 2 3 4 5

2/21/13 SURVEY QUESTIONNAIRE: Examining how Human Resource Management policies
   and practices are transferred within a Multinational Company

https://docs.google.com/spreadsheet/viewform?fromEmail=true&formkey=dDFoRVozOGlXVEkzR3JoLUozZjlzZnc6MQ 4/4
   Strongly Agree Strongly Disagree

27. How long have you worked for Tesco? Less than a year 1-3 years 4-9 years 10-15 years
   16 or more years

28. Which role do you currently do? * Store Manager Deputy Manager Department
   Manager Team Leader General Assistant Other

29. What is your current employment status? * Permanent Temporary

30. Which age group are you in? * 18-25 25-35 35-50 50 and above

32. Please indicate your gender * Male Female