

Comparison between hrm in the usa and china management essay

[Business](#), [Management](#)



In this day and age, as the world becomes increasingly globalized organizations are required to face a business environment that deems it essential to respond quickly to change. These changes can be anything from new laws, reforms or social trends and in order to survive and remain competitive and relevant, acting swiftly on these changes is a crucial aspect of business. It is obvious that only the human work force of an organization is able to foresee these changes that could emerge from the external environment and put in place the necessary strategies to combat them. Therefore, Human Resource Management is particularly important in the present day than it had been in the past and is a key factor of the overall success of an organization. Yet, there exist various models of HRM in contemporary times and there are vast differences in how countries implement them. National distinctions in the employment systems undoubtedly reflect the wider differences in national culture. That is why according to Bratton (2004), "Comparative Human Resource Management focuses on providing insights into the nature of, and reasons for differences in HRM practices across national boundaries". Similar methods and processes are used by employers around the world when selecting employees. The criterion assessed varies only slightly from country to country. For example like much of the world, in the USA employers tend to rank personal interviews. The personal selection procedures followed by a majority of the organizations in the USA is primarily initiated with an evaluation of the individual's capability and technical prerequisite for the job. Thereafter the potential employees' previous work experience in a similar job field is assessed. In addition to the above mentioned personal selection

procedures, it is noted that in the Peoples Republic of China, employee's test scores were given prominence and was one of the top criteria assessed in the selection processes. Additionally, an added feature that is measured in the country is the potential employee's familiarity with the Chinese culture and environment. Contrastingly, the practice of judging an employees familiarity with domestic culture during the selection process is absent in the USA. Therefore it is evident that the procedures followed by the two countries when selecting and thereafter recruiting staff are very analogous and vary slightly in terms of the additional score evaluation procedure followed by China and its preference given to cultural familiarity.

Performance Appraisals is a tool used to measure the achievement of an individual, group or organizational objective. The purpose of this tool is to identify potential obstacles and challenges for the improvement in employee performances. There tends to be variations in how employers in different countries use Performance Appraisals. The USA's outlook toward this approach is deemed very result oriented, encourages individual achievement, encourages increased employee productivity and is ultimately more performance appraisal than individual appraisal. For example in the USA, employers tend to rank pay as one of the preeminent ways for appraising performance. Moreover, this practice is considered a significant method of documenting employee performance. On the contrary, in China this technique is far down the list and is considered relatively trivial due to the inherent Chinese organization structure. Chinese managers place greater emphasis on moral characteristics and personal attributes such as loyalty and obedience. The method of implementing Performance Appraisals in

China is rather difficult considering the eminent difficulty in receiving effective feedback. Furthermore, this practice is believed to over emphasize on the function of measuring reward and punishment rather than indentifying the potential ability of the employee and what he or she has to offer in the long run. Instead of Performance Appraisal Chinese employees expect to passively receive assessments. In the context of present day, organizations from around the globe emphasize on the importance of training and developing the skills of its work force. However, the amount of money firms allocate for their training programs differs considerably from country to country. For example in the USA, training expenditures per employee amount to a figure close to \$724 where as it is noted than in countries belonging to the Asian continent (outside Japan) the expense is roughly measured at \$359 (per employee). Furthermore, the total hours of training allocated per entitled employee vary substantially between countries like China and the USA, where US organizations allocate lengthier duration of hours in training per year as compared to the Chinese firms. However it cannot be disagreed that although there are variations in the budgeted expenditure and allocated training periods between the two countries, the ultimate end result of the initiative is exactly the same; that is the employers envision a broadened and improved technical ability of the trained staff. Incentive payments are a great way for employers to drive motivation and reach out to their employees in a positive manner . Additionally; this system undoubtedly contributes to increasing the livelihood of the individual worker as does it simultaneously increase company revenue. Contrary to what common sense would suggest, results of the

research conducted regarding the use of financial incentives, indicate the importance of the use of pay incentives in the Peoples Republic of China, despite its communist roots. Moreover, regardless of the traditional US emphasis on "pay for performance", results of conducted surveys show this system plays only a moderate role in the capitalist super power. Therefore it is evident that the Republic of China stresses on the implementation of an incentive scheme more heavily than previously believed and USA. There are great distinctions in the compensation practices of the USA and the Republic of China. The international compensation practice followed by the USA is a more dominant system known as the balance sheet approach. This method provides employees with various incentives (mobility premiums, hardship allowances etc) and protects them from various cost differences.

Furthermore, it provides a rationale for the compensation approach. There are however many draw backs to this approach as it is first and foremost, costly to initiate and often times creates dissension from local workers over pay disparities between them and the expatriates. In China the compensation practices provide potential employees with a great deal of security compared to the system being implemented in USA. For example, in China the varying wages and pay formats offered by competitors are taken into consideration when deciding on employee income. The primary differences between Chinese executive compensation plans and those elsewhere are not in the plan elements but in the details of those elements. The cross cultural diversity between the USA and China contrasts drastically. Americans value punctuality and believe "time is money". America culture is deemed to encourage risk taking and brief straight to the point dialogue.

Moreover, business decisions are made in high speed and the populace is generally extremely ambitious and future oriented. Persistence is also a very noteworthy characteristic inherent in the majority of the citizens of America. In the Peoples Republic of China, due to its rich philosophical background, moralist conduct is regarded higher than all else. Moreover, there is low individualism and high collectivism and a tendency towards group orientation. Dialogues are conducted in a harmonious atmosphere where there is little or few arguments based on constructive criticism and saying "no" is uncommon. Additionally, there lacks a level of punctuality among the general populace who don't value time to the same degree as the American culture deems it necessary to. Due to the obvious differences in the cultural environment of both countries, it is evident that the HR policies of the firms in the respective countries need to make alterations so as to accommodate these characteristics in order to be most effective. Additionally, the positive employee to employee relationship within a firm is an important aspect that contributes to a pleasant work environment and job satisfaction. Given the fact that there are such vast cross cultural differences in human resource management practices, employers defer local managers on some specific human resource management policy issues. The HR managers are expected to install the preferred human resource policies while encompassing a culture driven approach. While managing the human resources of an organization, it is imperative that the HR managers keep in line with the standard code of conduct and are sensitive to domestic norms and ethics. For example, in China the citizens view gifts as a part of Chinese business practices and value the building up of trust and friendship. Moreover, the

Chinese believe in stability and status quo preservation principles. When critically evaluating the dissimilar HRM systems and procedures followed by the two countries, the USA and China, we see that there are flaws in both models and practices. Due to the differences in culture, the management practices are altered to accommodate the inherent culture of the work force. We see that the effectiveness of the Performance Appraisal system works well in countries like the USA, but will not be sustained in countries like China due to the general dislike for it. Therefore it is evident to say that employees' perceptions and desires of HRM practices do differ significantly across cultural borders and these differences encompass general areas of HRM as well as individual practices.