

Doctoral Thesis in 2023 (Abstract)

The Human Resource Management of Chinese Companies

– Focused on the Incentive System for R&D Personnel in Manufacturing Companies –

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Abstract

In this research, while inheriting the results of existing previous research, I have supplemented the shortcomings of previous research, and then used qualitative and quantitative research methods to build an unique analytical model, which can be applied to Chinese companies. In addition, based on the contents of survies on different companies, I have analyzed three typical cases of companies (three typical company cases) and surveyed the process of constructing each incentive system.

Admittedly, no conclusion can be drawn from the case for only one industry as a matter of course. However, the analysis framework proposed in this research, namely, the incentive system in HRM of Chinese companies, is an analysis that influences the establishment of competitive advantage of companies by utilizing management resources and the subsequent performance of companies. It can be said that we have obtained empirical results that are broadly consistent with the framework and the hypotheses derived from it. In other words, one of the contributions of this study is that the analytical framework proposed in this study can be expected to make at least an additional contribution in explaining the behavior of Chinese firms that have built a competitive advantage through the use of management resources. While respecting the existing theoretical frameworks of HRM theory, incentive theory, and management resource theory, the author conducts an analysis that takes into consideration the individual characteristic company that exists in China, including the differences in company sizes, organizational capabilities, and development backgrounds argue that we should.

So far, I have studied various problems related to incentive systems in HRM of Chinese companies. Today, when discussing immediate issues, not just the issue of system construction for this company, we must always take into account the current unique situation in China. Otherwise, a more ideal result will be obtained. For example, the construction of incentive systems for HRM of Chinese companies differs from country to country due to cultural backgrounds and economic development stages. In other words, the issue of basic direction and pattern selection for constructing an incentive system with Chinese characteristics is considered to be strongly path-

dependent. However, corporate management is facing a great deal of challenges. Also, incentive system remains underdeveloped. Building an incentive system is still a management issue that all companies should deal with. This is because even if we understand the importance of constructing the system, yet the problem of how to construct it remains unsolved. Companies' incentive structures differ according to the country and the times, and the quality of management behavior expected of managers will also differ accordingly. It is believed that this may affect the efforts that companies should make. However, although it is important for companies to have diversity in the construction of incentive systems, diversity should not be for the sake of diversity.

I think this kind of situation exists. Today, in a business environment where market and policy fluctuations are volatile, there are many companies struggling with poor management. Also, a number of companies have realized that, given the same historical background, the same economic policy, the same business environment, and the same market environment. What is the reason why successful companies and unsuccessful companies are separated? Through case analysis, this research confirms that these successful companies actively introduced advanced HRM theories and practices of companies in developed countries, built a personnel model suitable for their company, and fostered a unique corporate culture. On the other hand, many other Chinese companies pursue short-term efficiency to show their performance, and seem to forget what their business activities should be aimed at. Companies from developed countries have learned from the system that was built in China in the past, and have built a new system with Chinese characteristics. As a theory to explain such side-by-side behavior of companies, there is a concept called "imitation isomorphism" in management organization theory. Imitative isomorphism is the process in which a corporate organization, when faced with a new business environment, transforms itself into a form that other corporate organizations have adopted.

It is believed that organizations faced with a certain business environment imitate other organizations as models in order to avoid uncertainty. In other words, one Chinese company imported only the surface layer of an HRM system from a company

in a developed country and grafted it onto the existing system. Every system has a premise to be established, but without careful consideration of the premise, it is introduced like an all-purpose salve. It is natural that the original personnel system will collapse and become inconsistent. Originally, if the details are cut off and the issue is thought carefully, a really simple conclusion will be drawn. Chinese companies were fascinated by the details. Also, did the introduction of the incentive system of companies in developed countries improve corporate performance? This is a difficult question. There are various indicators for corporate performance, and there are various cases regarding the conditions under which corporate performance will improve. In the first place, the incentive system is only one of the measures that can be selected by corporate management. In the first place, it would be better to see that the introduction of such systems would have a limited impact on corporate performance in some aspects. Now, there are many issues to be addressed in the future, but I would like to give only representative examples.

First, it is necessary to identify what lies behind the diversity of incentive systems in Chinese firms' HRM. Next, with regard to the incentive system in HRM for Chinese companies, "system reform" and "system suitability" must be considered simultaneously. Therefore, in the process of building an incentive system in HRM for Chinese companies, it is important to consider the relationship between "system reform" and "system compatibility" at the stage of corporate development. Alternatively, building an incentive system that respects corporate development rules to the maximum extent possible while appropriately utilizing management resources will become a realistic issue. As mentioned above, organizational activities are important for R&D workers, but there seems to be a reason why HRM, which is established in the United States, is difficult to find in China. Perhaps the method of creating modules and the organization of the R&D project organization are different, and the business model and characteristics of the product are also related. Researching with this in mind is necessary. Indeed, the results of this study are based solely on the cases of the three companies. If we expand the scope of our research and take up examples of small and medium-sized companies, we may see different

results from this time. Needless to say, continuous investigation and research are required.

On the other hand, corporate incentive systems vary in content depending on the type of business, and are affected by the process of formation, stage of development, and legal environment that differ from country to country. Therefore, in order to grasp the actual situation of the incentive system of Chinese companies, we should expand the scope of information to a wider extent and examine the possibility of generalizing this analytical framework and hypotheses. Furthermore, it will be necessary in the future to dock research closer to the hypothesis-testing type through statistical analysis based on primary or secondary data from a certain industry. In addition, it will be necessary to continue critical examination of the analytical framework itself proposed in this research as a factor that explains the difference in the incentive system construction process between first-mover firms and latecomers. Although there are many such issues, the analysis framework proposed in this research, which aims to enrich the perspectives of "HRM theory" "incentive theory" and "management resource theory" at least in the analysis of latecomers, is one direction. It is also my impression after writing this research that it has a certain degree of empirical validity as a property.