

The Differing OCM Practices within a Multinational and Indigenous Chinese Hotel Operating in China

Author

Kerr, Jane, Woods, Peter

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**“The differing OCM Practices within a multinational and indigenous
Chinese hotel operating in China”**

ABSTRACT

As the Chinese hotel industry rapidly expands, organisation career management (OCM) practices are required to assist to increase the current low rates of staff retention. However, there are debates within the literature that as being a Western Concept, it is inappropriate to apply such a model to the Chinese context. Address the need for research to establish best practices in the industry, this comparative case study examines and compare the OCM programs practiced within an indigenous Chinese hotel with a leading multinational (MNC) lodging company. The findings suggest that the MNC hotel has more extensive OCM practices than the Chinese hotel, assisting them to maintain and attract talent.

Keywords: China, career development, hotels, HRM

Methodology: This exploratory study employed the qualitative method of a comparative case study using a modified grounded theory analysis approach.

INTRODUCTION

As the Chinese hotel industry rapidly expands to be the world's top tourist destination by 2020 with the World Trade Organisation estimating 130 million international travellers entering the nation per annum (Ball, Horner, & Nield, 2007), the industry faces the challenge of an increasingly high professional staff voluntary turnover rate (Zhang, Pine, & Lam, 2005). Combined with a large demand for experienced and highly skilled professional staff in an already volatile labour market (Hulme, 2006; Zhang & Wu, 2004), previous research argue that to increase staff retention hotels crucially need to improve and implement well-structured Organisation Career Management (OCM) programs and practices (Fernandez & Underwood, 2006; Hai-Yan & Baum, 2006; Hulme, 2006; Melvin, 2001; Zhang & Wu, 2004). These programs should include the provision of formal development and coaching to staff, whilst also offering training and mentoring programs which lead to opportunities for internal promotion (Hulme, 2006).

However, there are numerous debates within the literature arguing that it is inappropriate to apply Western models in the Chinese context due to the differing Chinese cultural contexts and employee behaviours compared to their Western counterparts (Z. X. Chen & Francesco, 2000; J. T. Li & Tsui, 2000). Furthermore, it is debated that the current Western literature on OCM is only marginally relevant for many organisations operating in China due to the varying cultures characteristics and national values (Head, Gong, Ma, Sorensen Jr., & Yaeger, 2006). Considering these debates, it is vital for best practices to be identified from both West and East management models and successfully implemented if the industry is to successfully address the current staff retention challenges.

Thus far there have been minimum studies that have investigated HRM in the Chinese hotel industry and within the Chinese cultural context with no previous research comparing international and indigenous Chinese hotels' OCM policies and practices. Consequently,

there is an emerging need for further research to gain a greater understanding of the phenomenon of OCM policies and practices in the Chinese context and to determine how practices differ between indigenous and foreign hotel companies (Hulme, 2006; Z.-M. Wang & Wang, 2008). Acknowledging the paucity of research, this exploratory study aims to develop a better understanding of how OCM is practiced in a Western multinational hotel in China and an indigenous Chinese hotel. In doing so, a comparison will be conducted allowing the best practices utilised in both hotels to be identified through answering the following research question: *How do organisation career management methods operate in practice within the differing cultural environments of an indigenous Chinese and an MNC operated hotel in China?*

LITERATURE REVIEW

Career Development- Organisation Career Management

Career development theory is a broad field of enquiry with continuously evolving definitions of basic terms. Some literature relates career development to theory of ‘career choice’ (Sonnenfeld & Kotter, 1982) with models based on an individual’s life span (Super, 1990). Others consider career development as focused on the sole responsibility of the individual to design and develop their career (Hansen, 1972). Once regarded as part of the ‘entitlement mentality’ of employees where they believed that organisations ‘owed’ them jobs, benefits and promotions (Werner & DeSimone, 2006), considerable social and economic changes have influenced career development in the West to develop into a model that aligns an individual’s career goals and needs with the strategic objectives of the organisation (Bourdreaux, 2001; McLagan, 1989). Leibowitz, Farren and Kaye (1986) refer to career development as an “organised, formalised, planned effort to achieve a balance between the individual’s career needs and the organisations’ workforce requirement” (p. 4).

With effective career development programs including a range of practices such as career planning and counselling, succession planning, mentoring and development programs, career development can be considered to be part of an overall HRM process of 'Organisational Career Management' (OCM). This term refers to the assistance, processes, practices and programs provided by organisations to support, develop and encourage the career success of their employees (Ng et al. 2005; Orpen, 1994). This term will be utilised as the meaning of career development in this research.

Organisation Career Management in China

Through examining a wide selection of literature on HRM, Egan, Upton and Lynham contend that the limited exploration of career development lacks 'clarity, specificity and frequency' (2006, p. 31) and as a result, more research needs to be conducted that examines OCM, especially in China. Out of 265 articles examined of 34 major business and management related journals from 1998 to 2007, none specifically investigated the thematic topic of career development in China, with only 21 exploring 'training and development, organisational learning and management' (Cooke, 2009). With the continuous growth of China's economy, academics and practitioners have called for research to examine this gap, particularly within the Chinese cultural context (Li, Tse, & Xie, 2007). As previous research primarily concentrates solely on Western HRM concepts, the current understanding of OCM in China is argued to be only marginally relevant due to the differences in Chinese culture compared to Western cultures (Head, et al., 2006).

The limited research that has examined OCM practices in China identifies that Chinese corporations have a minimal emphasis and commitment on OCM, pay little attention to nurturing and retaining the best people, and offer minimal career progression opportunities (Ziguang Chen, Wakabayashi, & Takeuchi, 2005; Chen & Francesco, 2000; Shen & Edwards,

2006). A year-long HRM study by the PRC State Council Development Research Centre in 2004 found that 70% of 2,100 Chinese firms did not focus enough on establishing techniques to manage employees' careers ("People's Daily Online," 2004).

In comparison, studies have determined that foreign MNCs operating in China provide more extensive OCM practices and opportunities than their local counterparts through providing more training, promotion and self-development opportunities for staff, assisting in empowering them through self-realisation (Dayao, 1997; Weldon & Van honacker, 1999; Zhou, Lu, & Jiang, 2005). However, it is argued that as MNCs' OCM programs often come from their home country HRM operations (Bjorkman, 2003; Bjorkman & Lu, 2001; Nolan, 2001), they may not be applicable to the local context.

In examining OCM differences between Chinese companies and foreign MNCs operating in China, a number of cultural and national influences in China may be salient. An example is the societal characteristic of the Chinese culture of 'personalism' (Redding, 1990). This refers to 'rule by person' rather than 'rule by law' (Walder, 1991) and incorporates hierarchal and collectivism elements. This particular cultural trait can influence an individual's organisational commitment through increasing loyalty to a boss (Chen & Francesco, 2000), which in turn can affect their career development. *Guanxi* is another Chinese cultural characteristic that may affect OCM. This characteristic involves the important role played by personal relationships, networking and personal trust (Chen & Francesco, 2000), and is particularly important within organisations as having good *Guanxi* with a manager can lead to informal protection and promotion (Cheng, 1995a, 1995b).

The concept of OCM, particularly career development, is also relatively new in China. Before the economic reforms in 1978, career development was not emphasised in the nation due to the communist ideology of egalitarianism discouraging any form of differentiation

between employees (Warner, 2008). Nevertheless, to assist Chinese managers to attain attributes and capabilities that meet global standards, Chen, Wakabayashi and Takeuchi (2005) recommend that Chinese corporations urgently create a more supportive career progression environment.

Even though Chinese corporations lack OCM, with the growing exposure to Western concepts, Chinese workers' attitudes are evolving. According to Wright, Berrell and Gloet's (2008) review of previous studies on cultural values in the Chinese workplace, they propose that the Confucian cultural notion of sacrificing self-interest is diminishing. This is leading to Chinese workers increasingly attempting to benefit their self-interest. They suggest, as workers' values evolve, they perceive self-interest as being more important than the traditional interests of groups, causing employees to begin to seek out firms, such as MNCs, that offer career progression opportunities through OCM. As a result of this and rapid social changes, some Chinese organisations' OCM are unsuitable and outdated for the current labour market in China (Cooke, 2005) leading to a call for further research to identify best practices that are effective in the Chinese context.

OCM in the Chinese Hotel Industry

Since the opening of China's first foreign managed joint venture hotel in 1982, HRM in the hotel industry in China has lagged far behind international standards (Zhang et al., 2005). Currently, the industry faces severe HR challenges as competition intensifies, resulting in the need for a highly skilled and qualified workforce to meet the demands of the rising number of tourists. In combination with a shortage of qualified staff and high staff turnover (Ball, et al., 2007; Zhang & Lam, 2004; Zhang et al., 2005; Zhang & Wu, 2004), the industry employees staff that lack practical skills and positive attitudes (Hulme, 2006; Zhang & Wu, 2004). In the present highly competitive labour market, hotels are experiencing difficulties in

recruiting and retaining the best talents, especially managerial and professional staff (Gu, Kavanaugh, Yu, & Torres, 2006; Kong & Cheung, 2009; Zhang & Wu, 2004). This is in combination with having a low level of training in place in most organisations (Hai-Yan & Baum, 2006).

According to the China Tourism Association Statistics, the average staff turnover rate in China's hotel industry rose from 21.8% in 2004 (Wang, 2004) to 30% in 2006 (Ball, et al., 2007). There are concerns that these low staff retention rates and serious shortages of qualified staff may have a negative impact on the expansion of the industry, threatening China's ability to effectively compete in the global tourism market (Tsang & Qu, 2000).

One cause of the low rate of retention could be that staff are dissatisfied with promotion opportunities and the unstructured training and development systems of hotels' HRM. According to Zhang, Pine and Lam (2005), this dissatisfaction could be damaging the hotel industry's reputation in the eyes of potential candidates, resulting in the image of the industry as having poor career development policies in place. Subsequently, many university and college graduates perceive that they cannot readily advance in a career pathway within hotels from operations to managerial roles (Hai-Yan & Baum, 2006).

Kong and Baum (2006) argue that China's hotels offer unstable career development due to relatively limited promotional opportunities.. This argument was presented through the use of survey research utilising 276 questionnaires that examined the skills of front office staff of four- and five-star rated hotels across the major tourist cities in China. Xiao and Peng (2007) further contended that the key contributor to the high turnover rate is the lack of OCM opportunities offered by hotels. This argument has developed with both academic and popular writing encouraging the improvement of OCM policies and practices as one of the most successful and effective staff retention methods, especially for retaining high

performing staff (Fernandez & Underwood, 2006; Hai-Yan & Baum, 2006; Hulme, 2006; Melvin, 2001; Zhang & Wu, 2004). In addition to improving staff retention, Melvin (2001) explains that promoting career development also has the further advantage of leading to achievement of organisational long-term goals. This builds an effective workforce through encouragement of developing skills, attributes and job satisfaction. An example of the effectiveness of OCM in staff retention is the Portman Ritz-Carlton hotel chain. They acknowledged the importance of development to their staff in China and openly communicated OCM practices with them offering development and promotion opportunities in line with the employee's goals and organisation's strategic objectives. This permitted them to have the low 15-16% group turnover rate compared to the industry average of 30% in 2006 (Yeung, 2006).

Nevertheless, there is a conflicting argument within the literature opposing the use of OCM to retain staff (Wang & Wang, 2008; Zhang & Wu, 2004). This argument contends that instead of lowering staff turnover, OCM practices essentially increases it. Acknowledging the escalating voluntary turnover of professional staff, well-known hotel brands, such as the Shangri-la, introduced their own training centres to help retain staff (Zhang & Wu, 2004). However on completion of training, managerial personnel sought out and secured more senior positions elsewhere, due to their newly advanced skills (Zhang & Wu, 2004). This concern about investing in staff development, only to have them leave to work for a competitor, has led to many recently established hotels being unwilling to invest in training for employees (Hai-Yan & Baum, 2006).

The negative association between training and staff turnover was also found in Wang and Wang's (2008) quantitative study surveying 101 firms in China, examining the relationship between HRM practices, strategic entrepreneurship and organisational performance. They identified that there is a negative relationship between OCM and

'competitiveness' of staff at a marginally significant level with companies with well-structured training losing high performers for superior external opportunities due to their new skills. Furthermore, most of these staff viewed their current positions as having limited opportunity for advancement after completion of training. However, as these studies essentially only consider training as a form of career development, failing to examine the use of a broad range of OCM practices such as promotion, mentoring, and career planning, they highlight the need for further research.

The paucity of research on OCM in the Chinese hotel industry is also highlighted in Kong and Cheung's (2009) review of English referred journal articles on the Chinese hotel industry. They established that a majority of research on the industry focuses principally on strategy and industry development. They also critiqued 23 articles on HRM, identifying an increasing need for studies on OCM with none specifically focusing on OCM practices. Several scholars also recognise that, overall, there is little research from an OCM perspective (Hai-Yan & Baum, 2006; Kong & Cheung, 2009; Li, Tse, & Xie, 2007; Wang & Wang, 2008; Zhang & Wu, 2004). For this reason, they express the need for further research into hotels' OCM programs and the effects on staff retention in China.

Examining the debate about the impact of OCM on staff retention, there also appears to be an additional gap within the literature. This is that the comparison of multinational and indigenous Chinese hotels, in terms of career development policies and staff retention, lacks investigation. Considering the limited research into the area and debates, the following research question was developed: *How do career development methods operate in practice within the differing cultural environments of an indigenous Chinese and an MNC operated hotel in China?*. The next section of the paper will discuss the research framework and methodology employed to answer this question.

METHOD

Methods & Approaches

Due to the general paucity of research examining the Chinese hotel industry combined with the lack of research into OCM practices in the Chinese context, this study was exploratory in nature. Given this, an interpretive framework was particularly suited to determine what is relevant and meaningful to the organisations and their employees.

To understand OCM practices and the differing cultural environments of an indigenous Chinese and MNC hotel operating in China, the research used qualitative methods. This enabled the researcher to access the 'subjective experiences of organisational life' (Cassell, Symon, Buehring, & Johnson, 2006), allowing data to be collected, analysed and interpreted simultaneously through employing a constant comparative method of a modified grounded theory analysis approach (Strauss & Corbin, 1998). As this analysis method is inductive, it permits findings to be specifically contextualised to the Chinese cultural context (Neuman, 2006).

As case studies are particularly suitable for issues within research and theory that are at exploratory stages (Roethlisberger, 1977), and in areas where research is scarce (Cepeda & Martin, 2005), an exploratory, collective case study approach that is theory generating was utilised. Compared to other types of case studies, this allowed the research question to be thoroughly explored while creating a collective understanding of the issue (Simons, 2009).

Sampling

The hotels were selected based on a number of criteria including location, star rating, ownership (multinational and indigenous) and size. Both the hotels chains are Five-Star rated and are devoted to providing high-calibre customer service; as a result, they both have a strong focus on providing extensive training for their staff. The hotels were both located in

the growing tourist city of the Chinese Island Province of Hainan, Sanya. The city is approximately 1877 kilometres South West of Shanghai with an estimated population of 536,000 people. For purposes of confidentiality and to protect participants' anonymity, the two hotels names have been altered. The indigenous hotel will be known as Case Study 1 (CS1) with the international hotel chain referred to as Case Study 2 (CS2). The hotels and their participants will be discussed in more details in the Results section of this paper.

Data Collection & Analysis

Using qualitative methods, the primary data collection method used was semi-structured interviews. A total of 17 interviews were conducted with managers and supervisors from front-line, middle, corporate and executive levels. assisting to overcome potential bias of interviewing only the senior management of the hotels (Flynn, Schroeder, & Sakakibara, 1994). These participants were chosen by HR senior executives based on their position and availability with all interviews conducted onsite at the hotels and were carried out, transcribed and analysed by the same researcher who spoke English and has some Mandarin language ability. All interviews at CS2 were conducted in English however at CS1; most were done in Mandarin with the same CS1 HR supervisor assisting in translation.

The key objectives of the interviews were to determine the structure and effectiveness of the hotels' OCM practices. However, due to the limitation of not having access to either hotel's OCM policy documents, the interview questions were modified to develop an understanding of what policies existed and how they were practiced. The interview instrument consisted of nine guiding questions that were constructed based on the existing literature. These were then developed further with the aid of a pilot study.

In addition to interviews, the data collection also consisted of a research diary being kept. Within this diary, the researcher recorded observations from during each interview, as

well as detailed notes that described her experiences of being a guest at the two hotels, writing thoughts and interpretations throughout the data collection period.

All interview transcripts and observation notes were imported into the qualitative software program NVivo and then coded into free and tree nodes. The principal type of coding that was adopted was thematic coding. This approach allowed organisation of the information into relevant themes, effectively capturing the qualitative richness of the phenomenon (Boyatzis, 1998). Once the data was placed into basic themes, the data analysis followed three stages to effectively code and review the collected information (Neuman, 2006). The initial stage consisted of open coding where the information was condensed into more specific themes and preliminary analytical categories. This was followed by axial coding in which the codes and themes were analysed in greater depth to assist the discovery of principle analytical categories. The final stage, selective coding, involved the panel of researchers re-examining, comparing and contrasting all previous codes and themes to help support the developed conceptual coding categories.

RESULTS

Case Study 1 (CS1)

Background

Case Study 1 (CS1) is a indigenous Chinese hotel part of a large parent corporation that is involved in several different industries, primarily in China, and was considered one of China's leading 200 businesses in 2007. This property is a resort with a total of 473 guest rooms that are self-rated as five-star accommodation with 90% of guests primarily mainland Chinese. Located eight kilometres west of Sanya's CBD in the less-popular Sanya Bay, the hotel had 700 employees at the time of the interviews. Overall, nine people were interviewed plus an informal conversation was conducted with the General Manager (GM). All

participants were native Chinese from different levels of management. In terms of staff education, there were no exact figures on the amount of staff that have tertiary (college or university) qualifications. In some hotel departments, such as the Financial Department and Front Office, college education is expected but not compulsory.

Corporate Culture

According to their website, the parent corporation's culture is founded on the statement: *"Internally cultivating the spirit with the essence of the traditional Chinese culture, and externally combining the advanced Western management and technology."* Furthermore, the group's strategic goal is to be one of the most famous Chinese brands that delivers world-class service and products and encourages employees to realise their social individual values and to work towards building a harmonious team environment high in. Throughout the interviews, the influence of the parent corporation's culture on the staff and the hotel was evident. When asked how they would describe the group culture, the Front Office Manger explained: *"the group has a good culture; it is about the original Chinese culture."* A manager in the financial department said: *"I think the group culture pays more attention on the service for the guests. The guests are our god!"* It was also apparent in the interviews that the culture encourages training as a form of development for staff. In addition, respondents commented on the hotel and group culture placing importance on treating staff as 'family'.

Organisation Career Management (Career Development)

Analysing the interview responses, it became evident that CS1's notion of OCM predominantly consisted of the element of training (see Figure 1). This was reinforced by the term 'training' being the most frequent word used by participants. An example of the significance placed on training can be seen in the restaurant manager's response: *"With career development, the most important one is training; the training can give the experience*

to the new staff and to let them know more about the working skills. Which then assists to develop them.”

In addition to training, the participants' responses referred to the hotel's OCM process as also including promotion. They discussed promotion as 'chances', 'opportunities,' 'transfers' and sometimes mentioned external 'cross training' as a form of promotion.

Training

As shown in Figure 1, training is segmented into five different sub-categories that were developed with names from terms used by participants: Basic Training, On-the-Job Training, Cross training, Training Plans and Internal Managerial Courses. The HR department, Senior Management or Middle Management, facilitate all five areas of training with all forms of training (excluding basic training) being primarily for managers or supervisors who usually have been working for the hotel group for at least a couple of years.

In regards to the compulsory component of formal training, different departments gave various responses. However, when asked what the minimum amount of training is, the HR manager responded:

3 hours per week, 12 hours every month. Just for the staff, not for the managers, they will have their own time. The managers and supervisors must have one hour a month (as per the policy) but in reality, this does not happen.

Examining the participants' varying answers, it is evident that not all departments practice this policy. Furthermore, the HR manager contends that compulsory training is not mandatory or enforced during busy periods including from September to June each year. Through further analysis of the interview data, it seems that perhaps compulsory training requirements are also not met due to the lack of written policies and the absence of a formal process to reprimand managers who do not meet the minimum requirement.

Reviewing the five subcategories of training, they can be organised under two primary groups: 'Training for the Job' and 'Training for Excellent Staff'. Training for the job includes 'Basic Training' which is a term used by the hotel for the form of training that is designed to give staff the essential skills to conduct their job. This form of training consists of Initial Training for new employees, 'monthly on-the-job-training', as well as informal mentoring or 'buddying' with a senior staff member or a manager to develop staff's expertise and competence further. Training for the Job additionally includes internal managerial courses such as leadership skills, product knowledge, technical skills and soft skill training.

Training for 'Excellent Staff' includes the sub-categories of on-the-job training, cross training and training plans. 'Excellent Staff' is the term used consistently throughout the interviews and refers to the staff having the best results and who are dedicated to the company. Founded on frequency within the interview data, 'Excellent Staff' have are identified by senior management as demonstrating high results, followed by great attitude, intelligence, skills and potential. According to senior management, when staff are being 'excellent' and are showing potential, they will be offered on-the-job training and cross training as an incentive to exceptional performance. This type of training is appointed as managers see fit and is viewed by the GM and HR Manager to be specifically important for college graduates due to their lack of practical experience and knowledge of the industry.

Training plans are another form of training for 'Excellent Staff.' When answering questions on the kind of career planning and pathways offered within the hotel, staff expressed the view that they were not familiar with the process thus the term had to be explained. The Assistant Sales Manager expressed the view that "*They haven't done this operation before.*" Instead, the participants referred to the hotel having 'training plans' which consist of a list of training required for promotion. Delegated by senior managers who tell staff what to do rather than asking what they want, training plans are provided predominantly

to managers who meet the conditions of ‘Excellent Staff’, with little provided to staff. Over half of the interviewees were not aware of these training plan practices.

Promotion

In addition to training, CS1 regards promotion as a form of OCM. This was established during questions where participants were asked to explain the career development process. They generally referred to promotion as ‘chances,’ ‘opportunities’ and ‘experiences.’ Throughout the interviews, it was recognised that promotions were offered only to staff by their manager when they met certain prerequisites; these included having potential and ‘stable staff’, having respect from colleagues, passing examinations experience and compulsory GM approval. However, the most important criteria for promotion were that it is provided only to those who are considered ‘Excellent Staff.’ Similar to training for ‘Excellent Staff’, promotion appears to be used as a reward strategy for the most exceptional employees.

Perceptions of OCM (Particularly Career Development)

During a majority of interviews, the participants were asked if they thought OCM was an effective retention strategy. Overall, 85% of participants responded by saying ‘yes’, due to the experience it provides staff. The one respondent who answered ‘no’ was the Housekeeping Manager who explained that money was more important than development in his department which could be due to the low education level of his staff. An example of the responses is the Assistant Sales Manager’s comment: *“Yes, I really think this works and can give staff a lot of confidence, and targets for them to work towards so they work very hard. Also, means they won’t think about moving to another hotel to get a higher position.”* Furthermore, the GM, HR Manager and Front Office Manager expressed the view that the hotel wanted to learn from Western practices, such as career development, and adopt and integrate best practices into the hotel.

Themes: ‘Top Down Approach’

The primary overarching theme that emerged from the data was a ‘Top Down Approach.’ The theme refers to the method in which decisions, orders, and the development of staff are dominated by the process of hotel management delegating from the ‘top down’, through a strict hierarchal structure.

In regards to the management & leadership style apparent within the hotel, the theme was demonstrated through the evident traditional Chinese characteristics that are a result of the group’s culture. This could be seen in the interviewee responses who described the management style as being a “Parent Style,” “Personal & a Family,” having an “Importance of Morals” and lack of standardised policies. Management were perceived as being very strict and continuously observing staff to identify any wrongdoings. Managers were also viewed as being solely responsible for their area, and do not delegate responsibilities to their subordinates, giving directions through a hierarchal structure.

Having this style of management and leadership enforced throughout the hotel does have consequences (represented by the hexagons in Figure 2). Many of the participants interviewed linking the ‘Top Down Approach’ with a lack of interaction between management and their employees and the perception that their personal concerns were not recognised. The Executive Chef and Director of Food & Beverages highlighted this concern:

*The hotel managers and leaders, they should pay more attention to the staff..
respect the staff... No-one (senior management) cares so we feel very tired..
including the waiters as nobody cares about what they are feeling and thinking.*

The overarching theme of a ‘Top Down Approach’ also emerged through the implementation and communication of hotel’s policies and practices. Examining the

interviewee responses, it became evident that management refrains from openly communicating with employees in general, as well as in regards to OCM and hotel policies. Participants highlighted that management predominantly refrain from having written policies and documented career pathways, as well as not communicating them to staff, as they believed that this could empower staff, and thus make them less motivated and lazy. Furthermore, policies and practices lacked regulation and monitoring, with some policies dispensed with during busy times (such as compulsory training). The lack of regulation was evident in the Front Office Manager's comment: *"We have the policies but we don't follow it..."* and in the Executive Chef and Director of Food & Beverage's statement: *"The policies are throughout the hotel but they are not practiced. They are physical (written but not practiced)."* The 'Top Down Approach' theme was also apparent in the techniques used as a form of discipline to ensure that policies are practiced by shaming managers in front of the GM and the rest of management through announcing the lack of adherence to policies.

The concept of OCM as a method of reward rather than as a retention strategy also developed from the overarching theme of a 'Top Down Approach.' This finding was derived from the interviewee references to 'Excellent Staff.' Although basic training was available to all staff, the other forms of training and promotions were only available to the 'Excellent Staff,' with OCM only offered to a limited number of staff as an incentive for their exceptional performance. In addition, the hotel also did not actively communicate the notion of developing one's career throughout the different levels of staff. Instead, management reserved conversations about career development for only the highest performers.

Themes: Development vs. Money

The second theme that emerged from the interview data was that development was perhaps more important than salary. Half of participants asked, considered

development/training to be more important than money with a quarter perceiving it to be equal. For example, the Restaurant Manager's commented: *"All is very important but the most important is the training, it will make me much more valued."* The importance of development through acting in a higher position and through opportunities to attain new skills was also obvious with two-thirds of participants stating that they would be willing to move if they were offered a higher position or were given better opportunities to develop by a competitor. It was also noted by the researcher and commented by two managers that the value of development appeared to be particularly important for younger staff: *"Younger generation don't particularly care about money in their pocket as such. They want to be developed so they are 'worth more' in the long run"* (30th of June).

Case Study 2 (CS2)

Background

Case Study 2 (CS2) is a property operated by a leading international hotel chain that had in 2008 over 3,000 operated or franchised properties in more than 66 countries under several different brands. Founded in the United States of America, with a third of the group still owned by the original founding family, this particular property opened in 2004 as the brand's first resort in China. Located approximately 25 kilometres southeast of Sanya City, in the popular tourist area of the Yalong Bay National Resort District, this 5 star rated property employed 650 employees, has 432 luxurious rooms and 24 suites attracting a diverse range of guests from mainland China, Hong Kong and Macau, as well as other international guests.

In total, seven managers (of different levels) were interviewed with all having at least a tertiary education. In regards to staff education, it was estimated that approximately 40% of staff and 50% of managers would have had a tertiary education. This level of education is

primarily due to the hotel seeking employees who speak English. For staff that do not hold university or college qualifications, the company offered certified training courses.

Corporate Culture

During the interviews, the parent group corporate culture emerged as the principle influence of CS2 property culture, values and the basis for policies and practices. The interview data established the dominant influence as being the American culture that places importance on equality, orientation to task and achievement. The parent group's values were communicated throughout the different levels of staff and management and were displayed in the staff canteen, offices and on the company's global intranet system. The group's culture also places a strong emphasis on open communication throughout the hotel, expecting management to be approachable and encouraging. As a result of this emphasis, the company has as its central principle an 'Open Door Policy' between management and associates, as well as seeking constructive feedback from guests. This policy and the group's prominent stance on open communication was regularly mentioned throughout the interviews.

Organisation Career Management (OCM)

Throughout the interviews, all participants confirmed that they understood OCM and were able to describe detailed policies and practices in place in the hotel. Through analysis of the interview data, the process of OCM at CS2 was established to consist of training, career planning & pathways, promotions, transfers and mentoring (see Figure 3). Furthermore, the company also integrates their career development with succession planning by providing development to associates as a method of preparing them for promotion.

Training

CS2 has a vast range of training programs, activities and procedures in place to develop their staff in providing exceptional customer service. Through invivo coding of the interview data, training can be segmented into Certified Training Programs, Cross Training, Department Specific Skills Training, Culture/Language Training and On-the-job Training. Depending on the form of training, either HR, Senior Management, Middle Management or Supervisors carry it out and document it in the Department Training Schedule, followed by submission to the Department Heads, HR and the GM.

In terms of minimum training requirements, the hotel has a strict brand standard policy that each associate has to attend a compulsory 15-minute daily training session. As all participants discussed this policy, it suggests that the policy is widely practiced. In addition to this, there is compulsory department training and weekly training carried out in all departments. This training does not have a minimum time as it differs depending on whether associates are undertaking certified training programs or if there is a launch of a new product.

Career Planning & Pathways

CS2's OCM also includes career planning and pathways (see Figure 4), which are used to develop their employees and to conduct succession planning for managerial and supervisory positions. This is expressed in the Director of Housekeeping's comment:

For the supervisor level and above, we do have career development plans for each of them. We have development like as a tree. We will help the staff with their next position. At first the people in front will move, then the people below can move.

To assist with succession planning, the group has a standard progression structure which shows the positions in order from the trainee to regional office executives. This includes the

concept of 'Colour Band Managers' where managers' level of responsibility is ranked in colours; for example, a Red Manager is a 'Department Head B' manager who would be an Assistant Manager of the department.

Although primarily for supervisors and managers, associates are aware of the career pathways available to them and the planning they will receive. The hotel provides them with informal procedures for discussing the skills needed for promotion and the setting of short-term goals. In addition, all employees take part in Monthly WRAP sessions which are one-on-one appraisals between themselves and their managers.

Promotion Transfers & Mentoring

At CS2, promotions and transfers are interlink with having the same conditions, of: being in a position for at least 12 months for managers and 6 months for associates; required to have at least good performance; and receive approval from current manager.

With both promotions and transfers, managers may offer the employee a higher position or a transfer to another property, or internally to another department. As the resort has a policy that places importance on encouraging internal transfers for opening new properties, all employees can access other properties' advertised positions on the group's global intranet. Furthermore, the company additionally places importance on providing mentoring for the supervisor level and above through a formal program.

Perceptions of OCM

When asked if they thought their OCM practices was effective as a retention strategy, 100% of the participants said 'yes' as it helps the associates feel proud. It also provided them with job satisfaction through working towards goals and learning new skills. An example of

the responses are the comments made by the GM: “*Yes career development is very important.. it gives them (employees) a vision for them to reach...*” and the Director of Housekeeping:

Yes but you need to make it (career development) happen. You cannot postpone career development, that is not right...Because the plan gives a lot of hope, the hope is the source of the retention. If you cannot keep the hope of the people, if the hope collapses, the retention is no longer there.

Nevertheless, the GM acknowledged that improvement is need. He expressed that the key point in retaining staff is “engagement” and providing them with “recognition and rewards.” He contends that associates “*need to be given a clear picture for where they can go in the future*” and that he encouraged staff “*to come and talk to me if they are getting itchy feet.*”

Themes: Openness Approach

Analysis of the data during the axial coding process resulted in the emergence of an overarching theme of an ‘Openness Approach’, driven by the American influence on the group culture, the group’s policies and the core values of the parent body. The Openness Approach refers to the open communication encouraged and practiced throughout the hotel, and the group’s emphasis on sharing information with staff.

With the influence of the parent group corporate culture, the theme was particularly evident in the management and leadership style. Figure 5 represents the most frequent words used consistently by participants during the interviews describing the management and leadership style of CS2. In addition to phrases such as ‘Personalised and Flexible,’ ‘Communicates Openly,’ and ‘Caring’, participants also referred to management as ‘Walking Management.’ This comment was also made by an employee of Case Study 1 who used to work there. “*Case Study 2’s management always goes around the hotel; they are ‘walking*

management'..." (Front Office Manager, Case Study 1).

It was observed that managers demonstrate their openness approach through, literally, leaving their doors open for staff to contact them. The Front Office Manager stated that the goal of senior management is *"to speak to everyone in the department at least once a month."* Furthermore, senior managers include their junior managers and supervisors when making decisions for the departments, while regularly talking to all level staff informally throughout the day. They perceive that having this Openness Approach encourages interaction between managers and associates, and builds trust and respect among employees.

The hotels structured policies and practices also supported the overarching theme of an 'Openness Approach.' Due to the emphasis on accessibility and sharing information, managers stated that the group has structured and documented procedures in place to minimise misinterpretations and to encourage approachable management. In addition, staff expressed that the policies were available on the group's global intranet and were encouraged to view them. These policies included Standard Operation Procedures (SOPs) which are guidelines for properties to develop Local Operation Procedures (LOPs) such as health and safety procedures. Although the researcher did not have access to policy documents, during the interviews it was evident from participants' consistent detailed responses that the policies are widely communicated and practiced throughout management levels.

In terms of OCM, the Openness Approach was apparent in the interviews through the recurring comment that the organisation openly promotes and encourages career development to employees. This was also evident in the structured career pathways available to staff as well as the emphasis and documentation on achieving goals through regular appraisals and frequent discussions of career goals, training and mentoring between managers and associates.

Themes: Attitudes towards Development and Salary

A similar theme that emerged in Case Study 1 was identified in Case Study 2. This was the staff's attitude towards development and salary. Throughout the interviews, participants expressed an opinion that money is no longer the most important aspect for retaining staff. Instead, the interviewees commented that employees are seeking positions that develop their skills and provide them with crucial experience. The Senior HR Officer commented *“Particularly for the supervisors and employees who are educated, career development is most important”* with the Assistant Front Office Manager stating *“The development to them (Generation Y) is most important.”* This theme was further supported through 100% of participants stating they would stay working for CS2 due to the development opportunities offered within the group.

Acknowledging this changing attitude of valuing development more than money through exit interviews and communication with staff, senior management implemented a strategy used in their brand's Singapore property. This strategy consists of mentoring associates with the department's managers and Director, in which the Director provides staff with a new task every six months. According to the Director of Food & Beverages, this strategy has assisted in retaining staff as it has provided them with a challenge, preventing them from becoming bored.

DISCUSSION

As suggested by the literature reviewed, both hotels varied in corporate culture, with their OCM policies and practices also being considerably different (see Table 2). The principle difference is that CS1's OCM consists primarily of training and promotion, not implementing other vital elements for successful OCM programs such as career planning and management (Noe, 2008; Werner & DeSimone, 2006). In contrast, CS2 has more comprehensive OCM

practices with detailed processes of training, career planning and pathways, promotions, transfers and mentoring. The literature argues that this is due to the model being a Western concept, making it minimally relevant to the Chinese context (Head, et al., 2006). The indigenous Chinese hotel also appears to use OCM more as a reward strategy compared to the international hotel, which implements it as part of the organisation's succession planning.

This obvious difference between the two hotels' OCM practices suggests that the results support previous research findings that Chinese corporations have less emphasis on OCM (Chen, Wakabayashi, Huang, Chen, & Zhong, 2000) and limited development practices in place. However, the argument that Chinese companies are not dedicated to retaining their best workers employees (Chen et al., 2000; Shen & Edwards, 2006) is debatable as Case Study 1 primarily directs their OCM programs at their 'Excellent Staff.'

Consistent with previous research (Dayao, 1997; Weldon & Van honacker, 1999; Zhou, et al., 2005), this study suggests that foreign MNCs provide more comprehensive OCM than their local Chinese counterparts. The literature highlights that Western firms operating in China tend to implement HRM policies from their home country operations (Bjorkman, 2003; Bjorkman & Lu, 2001; Nolan, 2001). This was the case of CS2, whose policies originated from its parent corporation in the US however.

Considering the lack of comprehensive OCM practices in CS1, it could imply that the hotel was selective in adopting the Western concept of OCM, modifying it to suit the Chinese context (Taylor, 2005; Warner, 2008). If this is the case, more research into other Chinese organisations would be required to determine if there is a 'hybrid system' in place (Child & Stewart, 1997; Rovai, 2005) where each organisation adapts the Western model to suit their company and to see if this differs per hotel properties. Nevertheless, it could also be suggested that the OCM processes in CS1 may be following the early stages of the Western

model where OCM was employed with a paternalistic approach by organisations (Hirsh & Jackson, 1996; Werner & DeSimone, 2006).

Despite the differences, the two hotels are similar in some ways. Together, they have a strong emphasis on training their staff. This similarity was not expected, as previous studies suggest indigenous Chinese firms may not emphasise training as much as foreign MNCs (Lan & Young, 1996). However, this emphasis may be attributed to Asia's increasing recognition that providing employee training assists a firm's performance (Jaw, Wang, & Chen, 2006; Osman-Gani & Jacobs, 2005). Specifically, the two hotels stress the significance of on-the-job training in contrast to classroom training, as it provides employees with practical experience and continuous development. This similitude may be due to the service nature of the industry, in which it is vital for hotels to have staff who possess developed practical skills and knowledge (Jackson Jr. & Sirianni, 2009; Zheng, Hyland, & Soosay, 2007).

Considering the differences and the overarching themes identified from both hotels the differing organisational culture environments may be a major factor influencing the dissimilarity in OCM practices. This is evident in a comment made by an employee about the two cultures who has worked at both hotels:

The is that the international hotels will give you a target/goal with a career plan. But in the Chinese, they will give staff a statement telling them what and how to do it. Whereas the internationals give the target and tell them how to achieve this target. (Human Resource Manager, Case Study 1).

CS1's corporate culture is founded on traditional Chinese values. This is primarily evident in the overarching theme of a 'Top Down Approach.' This approach demonstrates a paternalistic leadership style, influenced by the Confucian characteristics of hierarchy, family obligation, morality, respect and control (Chow,

2004; Redding, 2002). Evidence of this theme was apparent in the centralised decision making process (Lin, 2008), the emphasis on knowing and acting on morals rather than written laws (Kupperman, 2004), and the importance of the obedience of subordinates (Pellegrini & Scandura, 2008). This approach supports the literature contention that corporate cultures of Chinese firms are primarily based on Confucian values, with paternalistic management tendencies (Pun, Chin, & Lau, 2000).

In terms of OCM, the paternalistic leadership style from the 'Top Down Approach' was particularly evident in the conditional requirement of 'Excellent Staff.' This appears to follow the paternalistic emphasis on senior management as father-like, wanting their staff to be the best they can be, as if they were their children (Westwood & Chan, 1992). Another aspect of the culture is the absence of structured career planning and pathways available to staff. This may be contributed to by the Chinese cultural value of 'harmony' (Chow, 2004), in which the company attempts to minimise recognition and not encourage differential characteristics of employees to maintain 'harmony' amongst workers. It may also be a result of the Confucian value of being reluctant to have written laws (Kupperman, 2004).

Supporting the literature argument that in some Chinese organisations, OCM is outdated and unsuitable for the current competitive labour market in China (Cooke, 2005), the concern that having the 'Top Down Approach' and the current lack of OCM methods is affecting the hotel's performance was highlighted by participants. They argued that it's not competitive' compared to rival hotels in the area, and that the consequences of this result in staff becoming tired and feeling their personal interests are disrespected. This finding suggest that perhaps as China adopts more international business practices along with the associated cultural values (Casimir & Li, 2005), the 'Top Down Approach' may become less appropriate. Nevertheless, more studies are required to examine indigenous Chinese organisations' OCM processes to confirm this.

In contrast to Chinese firms, Western MNCs corporate culture generally includes the importance of open communication and of valuing individualism (Child, 1994; Ng, 1998; Pun, et al., 2000; Wright & Barney, 1998). All of these elements were demonstrated in the CS2's corporate culture, evident in the overarching theme of an 'Openness Approach' and were readily accepted by the Chinese employees requiring minimal adaptation.

The importance of development over money was a major theme that emerged from the two hotels with participants viewing development as more important to them and their staff than salary. Furthermore, it was suggested that particularly the younger staff increasingly perceive development as being more imperative, a finding found in other studies examining young business graduates (Moy & Lee, 2002). As a result, they will actively seek employment with organisations that develop them through experience and training.

The 'Attitude Towards Development' theme supports the literature contention that Chinese workers' perceptions are evolving from valuing the collective good, to emphasising self-realisation through development (Berrell & Gloet, 2005; Wright, Berrell, & Gloet, 2008). This finding suggests that as the views of Chinese workers transforms into one that values development, companies operating in China may need to examine their HRM development practices to ensure they are able retain their employees by meeting their expectations.

CONCLUSION

This study investigated and compared the OCM practices of an indigenous Chinese and a MNC hotel to determine existing differences. Although the study was limited in developing theory as it only examined two case studies and the researcher did not have access to documented policies, the study assisted to gather empirical insights into the area and identify effective practices. For this reason, further research is required to comprehensively answer the research question as well as develop theories and models that can be applied to the hotel industry in China as a whole.

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FIGURE 1

Case Study 1: Process of Organisational Career Management



FIGURE 2

Case Study 1: Management & Leadership Style

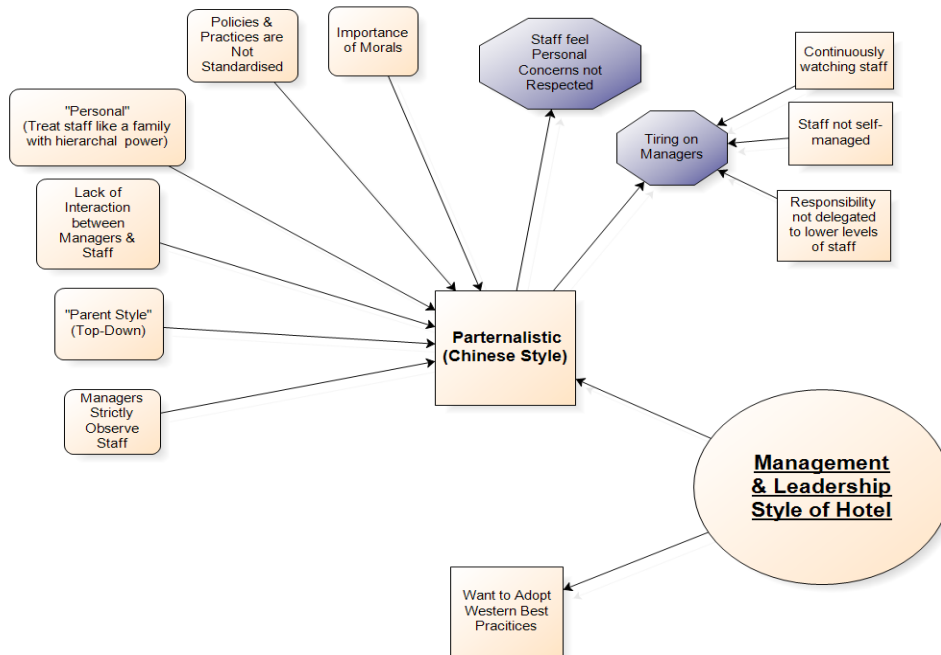
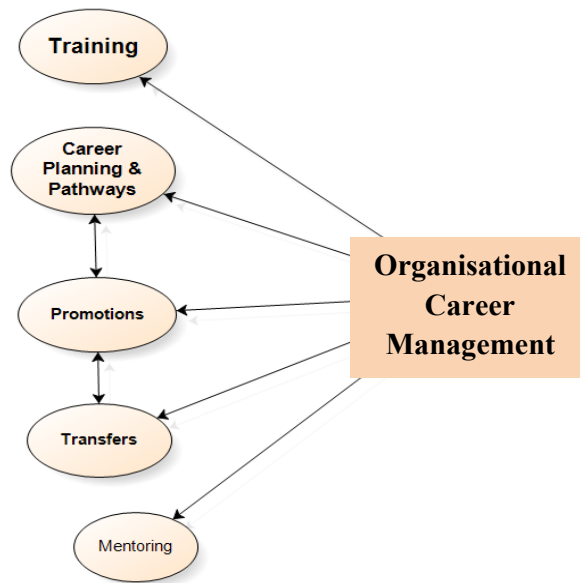


FIGURE 3

Case Study 2: Process of Organisation Career Management



Note: Processes placed in hierarchal order of importance and frequency discussed.

FIGURE 4

Case Study 2: Career Planning & Pathways

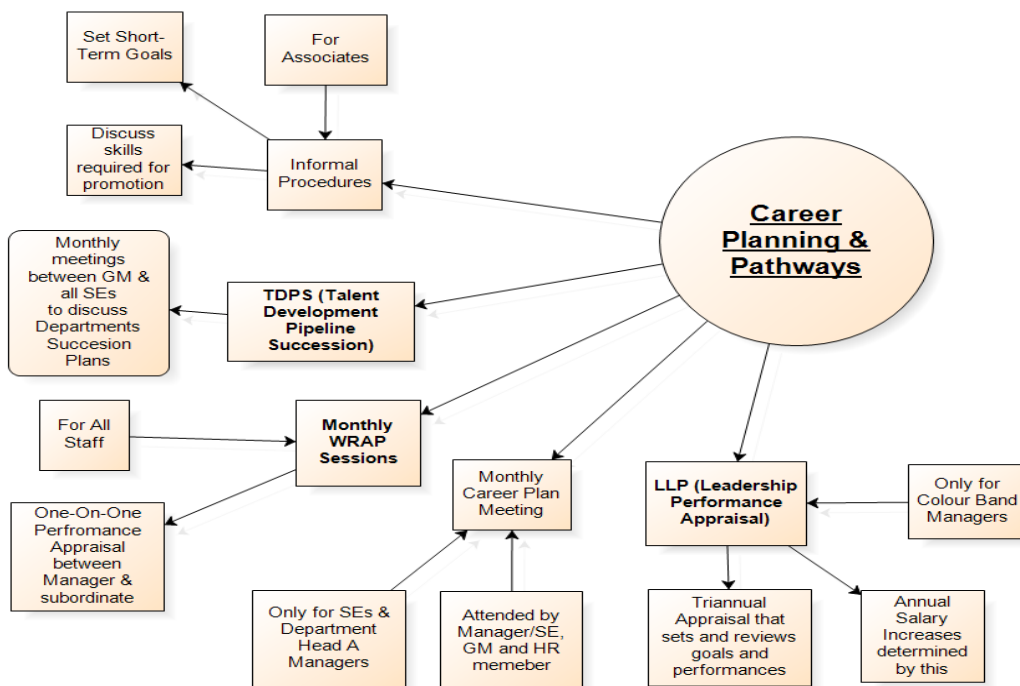


FIGURE 5

Case Study 2: Management & Leadership Style

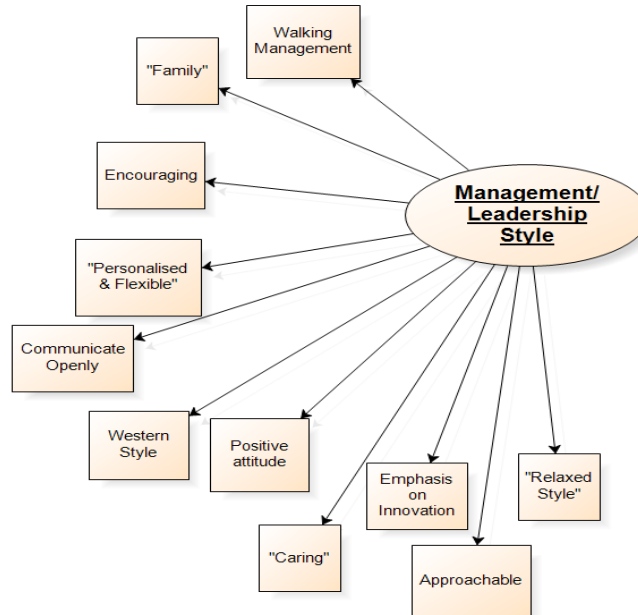


TABLE 1

Differences in OCM in the Two Case Studies

	Case Study 1	Case Study 2
<i>Process of OCM</i>	Training and Promotion	Training, Career Planning & Pathways, Promotions, Transfers, Mentoring
<i>Availability of OCM to Staff</i>	Restricted to excellent staff, not openly communicated & promoted. Primarily for Managers	Openly communicated & promoted, Formal processes for Supervisors & above, informal processes for associates
<i>Formation of Policies</i>	Minimally structured & documented. Not enforced during busy periods	Structured, documented, regulated and monitored by HR & Senior Managers
<i>Career Planning & Pathways</i>	Does not provide career pathways. Managers delegate career planning goals, goals of employees are not discussed.	Provides structured career pathways. Career planning is conducted with employees goals aligned with succession planning
<i>Min. Amount of Training</i>	Not done in busy periods, different interview responses suggest policy is not enforced	15 minutes per day, per employee.
<i>Practice of Policies</i>	Not officially regulated, if not followed then shamed publicly. Basic policies seem practiced although data suggests otherwise	Proactive in practicing and monitoring. Regulated by Senior Managers