

BEST PRACTICES IN HRM: CONVERGENCE IN BELIEFS ACROSS NINE COUNTRIES?¹

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ABSTRACT

Cluster analysis of survey data from six Asian and three Western countries addresses the question of trends toward convergence or divergence in beliefs about hiring, training, performance appraisal and compensation practices. In general, there is a trend towards convergence (thus, directional convergence), in that all countries believe, except for a few specific practices, these HRM practices should be applied to a greater extent than currently being used in order to promote organizational effectiveness. Final convergence, however, has not been achieved: countries are still grouped into two or three clusters, indicating existing differences in beliefs about the best practices in HRM.

Key words: HRM; best practices; convergence; Asia Pacific countries; Anglo countries

INTRODUCTION

Globalization brings about not just the movement of products, services, capital, and people across borders, but the dissemination of information and ideas as well (Croucher 2004). Some fear that the resulting cultural interconnectedness may lead ultimately to cultural homogeneity, or worse, cultural domination. Others, however, counter by pointing out the resilience of culture. Indeed, in the area of human resource management (HRM), the question of convergence or divergence continues to be debated and researched (e.g., Boyer 2001; Brewster, Mayrhofer & Morley 2004; Pudelko 2005; Quintanilla & Ferner 2003; Warner 2000).

Empirical studies that address the question of convergence or divergence of HRM most often focus on current use of practices (e.g., Brewster et al. 2004; Chen, Lawler & Bae 2005; Pudelko 2005), but also on one-country studies using the model of another country, typically the United States, as comparison. This quantitative study examines what managers in nine countries (China, Japan, South Korea, Taiwan, Indonesia, Philippines, Australia, Canada, and the U.S.) believe are the best practices in managing employees. To a certain degree, one's beliefs influence one's behaviour, such as choosing the practices to implement in the organisation (Ajzen 1991). For example, if a manager believes that incentives given to employees help make the organization successful, it is likely he or she would provide incentives. Thus, beliefs are a logical starting point in examining the question of convergence in HRM. The question asked in this research is, are we developing a common understanding of what the best HRM practices are?

In the past decade, there has been intense interest in the notion of human resources as source of competitive advantage for the firm (Pfeffer 1995; Wright, McMahan & McWilliams 1994). This has spawned popular management books and numerous empirical studies linking human

¹ Based on a paper presented at the 9th International HRM Conference, Tallinn, Estonia, June 2007.

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resource management to firm performance such as profitability or productivity, first in the U.S. then spreading to other countries (Boselie, Dietz & Boon 2005; Paauwe 2004). The concept of best practices in HRM in this paper follows this thinking. Specifically, best practices are those that are viewed to promote organizational effectiveness.

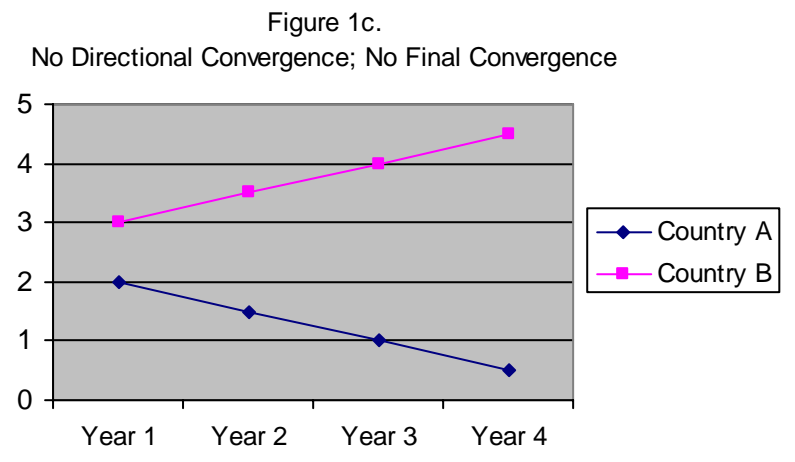
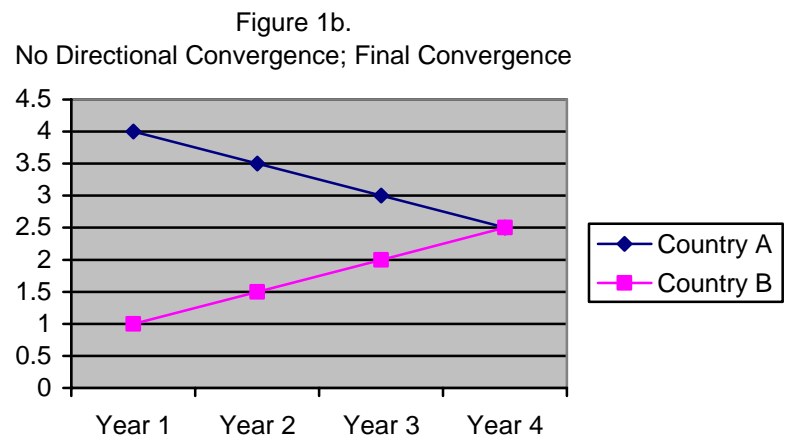
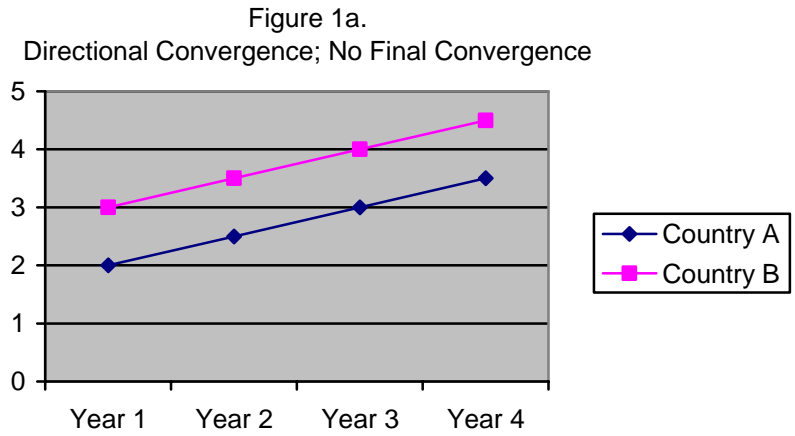
THE CONVERGENCE-DIVERGENCE DEBATE

Convergence theorists argue that market or economic and technological forces will lead to organizations in different countries becoming more similar, while divergence theorists point to institutional or socio-political factors that will maintain or increase the differences across countries (Gooderham, Morley, Brewster & Mayrhofer 2004; Quintanilla & Ferner 2003). These institutional factors include beliefs and value orientations, state and regulatory pressures, and interest groups such as labour unions that are specific to the country.

Nonetheless, some have countered that the institutional context surrounding organizations are no longer confined to national institutions, as there are now supranational institutions like the International Labour Organisation, the World Trade Organisation, the International Monetary Fund, and the European Union (Chen et al. 2005; McGaughey & De Cieri 1999). As well, multinational companies, and information and communication technology, facilitate the diffusion of ideas. All of these combine to exert regulatory, mimetic, and normative pressures on organizations leading to homogeneity in organizational practices. Furthermore, national educational programs in business are also changing, teaching the management theories and principles developed from other countries, often those seen as more successful. In countries without a tradition of business or management, this influence is quite noticeable. For instance, Alexashin and Blenkinsopp (2005) pointed out that for the case of Russia, which is undergoing a transformation from a Socialist state to a market economy, 'There has been no recognizably Russian model of management, 'managers' in the Soviet era being essentially bureaucrats. Russian managers thus find themselves in an uncertain position' (p. 428). They then posited that, because of the dominance of the U.S., in economic terms as well as in management thought and education, there will be convergence between Russian and U.S. managerial values. However, they also noted that U.S. managerial values themselves have changed over time.

That convergence/divergence is not a static but a dynamic phenomenon, and is best understood as a process through time is argued by Mayrhofer, Morley and Brewster (2004). Thus, they distinguish between directional convergence and final convergence. Directional convergence is demonstrated when the development over time is in the same direction, while final convergence is attained when the differences between countries is decreased or eliminated. Thus, directional convergence does not necessarily lead to final convergence (therefore, dissimilarity is maintained), as in the case when trend lines are parallel (see Figure 1a). Furthermore, final convergence does not assume directional convergence, as in the case when trend lines are in opposite direction, but ultimately lead to a meeting of these lines (see Figure 1b). An increasing divergence is also possible, as when the trend lines are in opposite direction, without intersecting at any future point in time (see Figure 1c).

FIGURE 1
Directional and Final Convergence



Furthermore, the question is not a simple dichotomy of convergence or divergence. Warner (2000) suggested four possibilities that differ in degree: from hard convergence that indicate commonality in all features of the HRM and Industrial Relations (IR) systems, to hard divergence, where systems become more dissimilar in more of their features, with soft, or relative, convergence or divergence in between.

Empirical evidence

Evidence from studies involving multi-countries, covering a range of HRM policies and practices indicate both convergence and divergence. In Europe, several studies utilizing the data from Cranet-E surveys from 1990 to 1999 of 18 countries have been published. Mayrhofer et al. (2004) noted directional convergence for a range of practices: strong support was found for the size of the HR department, investment in training, communications with employees, performance-based compensation; considerable support for flexible working practices; and weak support for level of policy decision-making and decentralisation of responsibility. An interesting pattern in final convergence was also observed: countries started to converge, but began to diverge around the mid-1990s. Nikandrou, Apospori and Papalexandris (2005) found that the 18 countries were clustered in two groups, coinciding with geographical location: North/West and South/East. There was no convergence between the two clusters from 1995 to 1999, except for Italy and East Germany moving to the North/West cluster. Gooderham, Nordhaug and Ringdal (2006) found that U.S. subsidiaries in the U.K., Ireland, Germany, Denmark/Norway and Australia adapted to the host-country context, but not to the extent that their HRM practices are the same as those of local firms.

Researchers have yet to quantitatively compare Asian HRM best practices. However, three reviews of studies of Asian countries enable the question of convergence to be addressed. Warner (2000) concludes, from the empirical studies in a special volume of *The International Journal of Human Resource Management*, that there seems to be three prevailing types of HRM and Industrial Relations (IR) systems: a British model (in Hong Kong, Malaysia, Singapore), an American system (in Japan, Philippines, South Korea), and a third type found in Taiwan and Thailand, which has some resemblance to U.S. practices even though these countries do not have a Western colonial history. China remains unique and distinctive from the Hong Kong system, even while they share cultural features. Overall, hard convergence or hard divergence of all features of the HRM/IR systems was not supported, with support for both soft convergence and soft divergence. Soft convergence was found for flexibility in Chinese firms, performance appraisal in Japan, temporary employees' behaviour in Singapore, and occupational sex-segmentation in Hong Kong.

Rowley and Benson (2004) compared qualitative analyses of eight different Asian countries (China, Hong Kong, Japan, South Korea, Philippines, Singapore, Taiwan and Thailand), using a common framework so that the countries can be directly and easily compared. They conclude that convergence of some HRM practices towards a more 'Western' model is taking place, specifically with respect to merit-based selection, performance-based pay, employment contracts, harmonized work conditions and continuous in-house training. However, at the policy level, specifically in terms of the strategic role of personnel managers, and line managers taking a more active interest in HR issues, less change was observed. Even less change was happening with respect to beliefs and assumptions. As it takes more time to internalize the changes in policy choices or beliefs and assumptions, Rowley and Benson (2004) believe these will still serve as a constraint to convergence. They predict continued

experimentation with western HRM practices, with modifications likely in each of the countries to suit their situation.

Examining various studies on China, Japan, Malaysia, South Korea, Taiwan, Thailand and Vietnam, Zhu, Warner and Rowley (2007) conclude that the people-management system in these countries is one of a hybrid model, combining aspects from the U.S. and European models with what had already existed in these countries. They also argue that the Western models are likewise influenced by Asian aspects of managing people.

Sparrow, Schuler and Jackson (1994) covered countries in different regions, namely North America, Europe, Asia, and Latin America, using survey data gathered by IBM and Towers Perrin. Asking respondents to attach importance to various HRM policies and practices in gaining competitive advantage currently (1991) and for the future (year 2000), they found that countries clustered in five groups in accordance to culture: the Anglo-Saxon cluster (Australia, Canada, U.S., U.K., Germany and Italy), the Latin American cluster (Argentina, Brazil and Mexico), and the cultural islands of France, Korea and Japan. For all clusters, they noted a greater emphasis on empowerment; equality; diversity management; flexibility in job design; flatter organisational structures; customer focus in performance and compensation; flexibility in staffing, training and exit decisions; and, greater communication with all employees. The difference among the clusters is more of degree, yet as Sparrow et al. (1994) noted, because of inconsistencies with other studies, concluded that HRM systems are indeed converging maybe too soon.

The notion of trends, such as in establishing directional convergence or divergence, requires the need for longitudinal method (McGaughey & De Cieri 1999), which becomes prohibitive when it comes to multi-country research. A practical alternative, and indeed one that has been used by Sparrow et al. (1994), is suggested by Ajzen's theory of planned behaviour (1991). As behaviour is influenced by beliefs about the behaviour (p. 189), measuring beliefs would provide some sense of the likelihood that the behaviour will be performed. Thus, the current paper compares HRM practices currently used with HRM practices that should be used to achieve organizational effectiveness (that is, best practices).

METHOD

Survey data from the Best Practices Consortium collected from three Anglo countries (Australia, Canada and U.S.) and from six Asian countries were used for this study. These countries are excellent choices since the Anglo culture is different from the Asian culture (Gupta, Hanges & Dorfman 2002), which is reflected in the beliefs and practices of managers, as culture is argued to be one barrier to convergence. Furthermore, Gupta et al. (2002) have also indicated that Asian countries are not homogeneous: Asian countries that are largely influenced by Confucianism (China, Japan, South Korea and Taiwan) would be different from those Asian countries that are not (Indonesia and Philippines).

The Best Practices Consortium is a group of researchers, mostly academics, who have links or are located in various countries. Each researcher is responsible for data collection in their respective countries, using the same survey questionnaire, appropriately translated. The data then were pooled together for the use of the researchers within the consortium. This arrangement addresses the complexities and challenges of international management research, such as constraints to resource, access and cross-cultural understanding. The survey questionnaire was sent once to managers in different countries between 1992 and 1998, and

the number of respondents from each country ranged from 144 to 438. Geringer, Frayne and Milliman (2002) describe in more detail the design of the questionnaire and the research process.

Another advantage of the Best Practices Consortium's data set is that it covers a range of HRM practices, without being limited to what may be considered best practices from one cultural context. The survey asked managers in each of these countries the extent of their current use of several hiring, training, appraisal and compensation practices (see Table 5 for the specific practices included in the survey). For each of these practices, they were also asked the extent to which they thought that same practice should be implemented in the organization in the future in order to promote organizational effectiveness, what will be labelled here as 'best practice'. Both questions used a five-point Likert type scale, where 1=Not at all, and 5=To a very great extent.

Data analysis

Cluster analysis was used to group countries in terms of similarities in hiring, training, appraisal and compensation practices, firstly in terms of the current practices and then in terms of best practices. Cluster analysis is a statistical technique used to group samples (e.g., individuals, organizations, or countries) into relatively homogeneous groups in accordance with pre-selected characteristics, and has been used in identifying clusters of countries with similar cultures (e.g., Gupta et al. 2002) and HRM/IR systems (e.g., Arthur 1992; Nikandrou et al. 2005). Cluster analysis is an appropriate technique to determine whether there is convergence among different countries in terms of the HRM practices. However, the use of cluster analysis, as with other statistical techniques, is not without its critics. Ketchen and Shook (1996), for instance, identified the problems in the use of cluster analysis in strategic management research. A major decision that has to be made is selecting the clustering algorithm to be used. For this study, the hierarchical method was used, as the purpose was to determine how countries clustered. Non-hierarchical algorithms are appropriate when there is a pre-specified number of clusters. However, the hierarchical method relies on interpretation or visual inspection. Thus, as suggested, in order to ensure stability in the cluster solutions, both hierarchical and non-hierarchical methods were used.

Cluster analysis was first performed on practices currently being used, then on practices that should be implemented (i.e., best practices). This was done separately for hiring, training, performance appraisal and compensation. If there is a trend towards convergence in the beliefs of managers, there should be a difference between the clustering based on what is currently being practised to the clustering based on what should be implemented—either in terms of number of clusters (a reduced number), or in terms of cluster membership of countries. For example, if cluster analysis of current practice shows that there are three distinct clusters (say, Anglo cluster vs. Confucian-based Asian cluster vs. non-Confucian Asian cluster), convergence might be indicated if (1) there is a reduction in the number of clusters in terms of best practices, or (2) a movement of individual countries from one cluster to the other (say, movement of Taiwan from the Asian cluster to the Anglo cluster), thus with a reduction in cluster membership in one cluster.

Cluster analysis provides a gross picture of similarities in hiring, training, performance appraisal and compensation among the nine countries. To provide more detailed information on what specific practices distinguished clusters, an analysis of variance was conducted.

RESULTS

Respondents in all nine countries report that practices in hiring, training, performance appraisal and compensation are being used at least to a moderate extent (see Tables 1, 2, 3 and 4). These tables also show that the means for best practices are all significantly higher than the means for current practice, suggesting some directional convergence. That is, respondents in the nine countries believe that using these practices to a greater extent than they are currently being used would be best for the organization.

TABLE 1
Hiring Clusters, showing Means of Member Countries

Current Practice			Best Practice			t value
		X			X	
1	Australia	3.10	1	Australia	3.31	-13.15***
	Canada	3.22		Canada	3.50	-6.26***
	US	3.15		US	3.54	-9.77***
	Cluster X	3.13		Cluster X	3.39	
2	Taiwan	3.59	2	Taiwan	4.06	-6.16***
	<i>Philippines</i>	3.40				
	Cluster X	3.49				
3	China	3.06	3	China	3.60	-10.84***
	Indonesia	3.03		Indonesia	3.49	-14.82***
	Japan	2.95		Japan	3.31	-11.90***
	Korea	2.95		Korea	3.63	-18.90***
	Cluster X	3.00		<i>Philippines</i>	3.78	-11.59***
			Cluster X	3.54		

*** $p < .001$

Countries in italics are those that have changed cluster membership.

TABLE 2
Training Clusters, showing Means of Member Countries

Current Practice			Best Practice			t value
		X			X	
1	Philippines	3.25	1	Philippines	4.40	-20.11***
	Taiwan	3.57		Taiwan	4.15	-10.69***
				<i>Indonesia</i>	3.99	-23.48***
	Cluster X	3.39		Cluster X	4.15	
2	Australia	3.00	2	Australia	3.88	-30.51***
	Canada	2.99		Canada	3.94	-12.45***
	US	2.71		US	3.96	-20.65***
	China	2.98		China	3.85	-18.58***
	Japan	2.98		Japan	3.64	-17.96***
	Korea	2.97		Korea	3.76	-19.41***
	<i>Indonesia</i>	2.85				
	Cluster X	2.95		Cluster X	3.82	

*** $p < .001$

Countries in italics are those that have changed cluster membership.

TABLE 3
Performance Appraisal Clusters, showing Means of Member Countries

Current Practice			Best Practice			t value
		X			X	
1	China	2.97	1	China	3.85	-16.22***
	Japan	2.94		Japan	3.60	-17.63***
	Indonesia	2.85		Indonesia	3.92	-15.87***
	<i>Korea</i>	2.68		<i>Taiwan</i>	4.08	-13.34***
	Cluster X	2.87		Cluster X	3.82	
2	Australia	3.35	2	Australia	4.05	-19.58***
	Canada	3.25		Canada	4.16	-12.74***
	US	3.09		US	4.10	-14.76***
	Philippines	3.35		Philippines	4.45	-17.33***
	<i>Taiwan</i>	3.26		Cluster X	4.15	
	Cluster X	3.28	3	<i>Korea</i>	3.46	-18.24***

*** $p < .001$

Countries in italics are those that have changed cluster membership.

TABLE 4
Compensation Clusters, showing Means of Member Countries

Current Practice			Best Practice			t value
		X			X	
1	Australia	2.47	1	Australia	3.47	-28.67***
	Japan	2.73		Japan	3.35	-17.44***
	<i>Canada</i>	2.91				
	<i>US</i>	2.70				
	<i>Korea</i>	2.68				
	Cluster X	2.65		Cluster X	3.43	
2	China	3.10	2	China	3.87	-14.05***
	Indonesia	2.84		Indonesia	3.67	-19.20***
	Philippines	3.10		Philippines	4.06	-17.08***
	Taiwan	3.18		Taiwan	3.93	-14.00***
				<i>Canada</i>	3.80	-12.23***
				<i>US</i>	3.94	-19.56***
				<i>Korea</i>	3.69	-21.53***
	Cluster X	3.03		Cluster X	3.82	

*** $p < .001$

Countries in italics are those that have changed cluster membership.

In terms of the number of clusters between current practices and best practices, there was no reduction for hiring, training, and compensation (Tables 1, 2 and 4), with an increase from two to three clusters for appraisal (Table 3). There were, however, shifts in cluster membership. An example is that for hiring, where the Philippines joined the other Asian countries for the best practices clusters, leaving Taiwan on its own, and the cluster of Anglo countries remaining intact (see Table 1). Another is in compensation, where only two countries (Australia and Japan) remain in one cluster, separate from the other seven countries (see Table 4). Combining both measures of number of clusters and cluster memberships, there seems to be stronger convergence in compensation and a slight one in hiring, while some divergence is indicated in training and performance appraisal.

An analysis of variance to identify the practices that differentiated the current practice clusters and the best practice clusters also revealed that the means for the best practices are not always higher than the means of the current practices, suggesting some directional divergence for these specific practices: in hiring, these are personal interview for Cluster 1 (Mean=4.2 for current practice; 4.1 for best practice), right connections for Cluster 1 (Mean=2.2 for current practice; 1.6 for best practice) and Cluster 3 (Mean=2.6 for current practice; 2.2 for best practice); in compensation, seniority-based pay decisions for Cluster 1 (Mean=2.9 for current practice; 2.6 for best practice)³.

Table 5⁴ shows the HRM practices that differentiate the current practice clusters and the best practice clusters. In hiring and training, there are less practices that differentiate the best practice clusters than there are for the current practice clusters. In hiring, only four practices differentiated the best practice clusters, as compared to eight practices that differentiated the current practice clusters. Belief that person will stay with company, employment test on person's skills, and potential to do a good job continue to differentiate the clusters, both in terms of current and best practices. Right connections became a differentiating practice in terms of the best practice clusters: Anglo countries (Cluster 1) and most of the Asian countries (Cluster 3) indicated that the use of right connections in hiring should be reduced to promote organizational effectiveness, while Taiwan (Cluster 2) indicates that a higher extent of its use is the best practice.

³ These statistics are not shown in any table in this paper. However, the results of the analysis of variance are available from the author.

⁴ Means and F-values are available from the author.

TABLE 5
HRM Practices that Differentiate Clusters

HRM PRACTICE		Current Practice Clusters	Best Practice Clusters
HIRING CRITERIA			
1	Belief that person will stay with company	yes	yes
2	An employment test on person's skills	yes	yes
3	Potential to do a good job	yes	yes
4	Ability to perform technical job requirements	yes	no
5	A personal interview	yes	no
6	Ability to get along well with other employees	yes	no
7	Proven work experience in similar job	yes	no
8	Fit with company's values & ways	yes	no
9	Right connections	no	yes
10	Future co-workers' opinions	no	no
No. of differentiating hiring practices		8	4
TRAINING PURPOSE			
		Current Practice	Best Practice
1	Provide reward to employees	yes	yes
2	Improve interpersonal abilities	yes	no
3	Prepare employees for future job assignments	yes	no
4	Build teamwork within company	yes	no
5	Provide skills for a number of different jobs	yes	no
6	Teach employees about company's values	yes	no
7	Remedy past poor performance	no	yes
8	Initial training for new employees	no	yes
9	Help employees understand the business	no	yes
10	Improve technical job abilities	no	no
No. of differentiating training practices		6	4
PURPOSE OF PERFORMANCE APPRAISAL			
		Current Practice	Best Practice
1	Document subordinate's performance	yes	yes
2	Plan development activities	yes	yes
3	Lay out specific ways to improve performance	yes	yes
4	Discuss subordinate's views	yes	yes
5	Evaluate subordinate's goal achievement	yes	yes
6	Identify subordinate's strengths & weaknesses	yes	yes
7	Recognize subordinate for things done well	yes	no
8	Allow subordinate to express feelings	no	yes
9	Determine appropriate pay	no	no
10	Administer salary	no	no
11	Determine subordinate's promotability	no	no
No. of differentiating appraisal practices		7	7
COMPENSATION			
		Current Practice	Best Practice
1	Incentives as important part in pay strategy	yes	yes
2	Portion of earnings contingent on group performance	yes	yes
3	Futuristic orientation of pay system	yes	yes
4	Long-term results more important	yes	no
5	Large spread between low & high performers	yes	no
6	Incentives significant portion of total earnings	no	yes
7	Benefits as important part of total pay package	no	yes
8	Very generous employee benefits package	no	no
9	Seniority enters into pay decisions	no	no
No. of differentiating compensation practices		5	5

Note: Practices in bold are those that differentiated the country clusters both in terms of current practices and in terms of best practices.

In training, only the purpose of providing reward to employees continues to differentiate both the current and best practice clusters. Other training purposes emerged to differentiate the best practice clusters, namely, to remedy past poor performance, to provide initial training for new employees, and to help employees understand the business. However, only four practices differentiated the best practice clusters, in contrast to six practices that differentiated the current practice clusters.

For performance appraisal and compensation, there was no reduction in the number of practices differentiating the current practice clusters and the best practice clusters, with a few changes in which practices differentiated the best practice clusters. For performance appraisal, most of the practices (six) that differentiated the current practice clusters also differentiated the best practice clusters. In compensation, five practices still differentiated the clusters, whether in terms of current practices or best practices.

In summary, combining results from number of clusters, cluster membership, and differentiating practices, there seems to be a stronger convergence in compensation, compared to hiring, training and performance appraisal. Even though the number of clusters remained the same between current practice and best practice, most of the countries, save but two of the nine (Australia and Japan), have clustered in one group. Slight convergence is also suggested in hiring: countries, save one country (Taiwan), are clustered in one of two groups. As well, what distinguishes the best practice clusters has been reduced to just four practices. In performance appraisal, no convergence is suggested, perhaps even a slight divergence, with one country (Korea) breaking off from the others to form a separate cluster; the distinction among the best practice clusters is also maintained, in terms of numbers of practices that continue to differentiate the clusters (seven). In training, even while another country (Indonesia) has been added to the other cluster, suggesting slight divergence, the distinction between the two clusters was reduced to a difference in four practices, indicating that these clusters are becoming more similar. Using the terminology of Warner (2000), in no case was hard convergence noted, with clusters differentiated across all the practices, only soft convergence or soft divergence.

DISCUSSION

The analysis provides a detailed look at the question of convergence and divergence for HRM as a whole, and for specific HRM practices among six Asian countries and three Anglo countries. Are these countries becoming more similar in their beliefs about the best practices in HRM? Based on this study, there is a trend towards convergence (thus, directional convergence), but final convergence has not been achieved. In general, there seems to be a common understanding that an increase in the extent that these HRM practices are applied would be beneficial for organizational effectiveness (as indicated by the higher means in best practice compared to current practice across all countries).

Nonetheless, while the direction or trend is upward for all countries and clusters, the change is not to the same degree for countries and for clusters of countries, which may explain why there is not a final convergence in beliefs about best practices. For instance, in performance appraisal, Korea separated from the other countries to form a third cluster. While the best practices mean for Korea is also higher than the current practices, it did not increase as much as the other countries. A similar situation can be observed for compensation: while Australia and Japan also had higher means for best practices, they did not increase as much as the other countries, so that they formed a different cluster from the other seven countries.

By and large, the Anglo countries seem to cluster together, except in compensation, while the Asian countries seem to be in greater flux. The Asian countries also do not neatly group into the Confucian Asian and Southern Asian clusters of Gupta et al. (2002). This might reflect the experimentation with Western HRM practices that Rowley and Benson (2004) noted for the Asian countries. As well, Zhu et al. (2007) pointed out that various influences continue to reform the HRM systems in Asia. However, they argued that it is not necessarily the case that the Asian system is converging towards the Western (U.S. or European) system, but that the reforming process is in both directions. There does not seem to be an indication of this in this study, as all countries believed increasing the extent that these practices are used is best for the organisation.

While the general trend or direction for best practices is to have a greater extent that these practices should be used, there are exceptions for very specific practices: the use of the right connections and personal interview as hiring criteria, and seniority-based pay. Some clusters believe reducing the use of these practices is good for the organization. However, it should be noted that only right connections was a differentiating practice among the three best practices clusters, that is, the mean difference is statistically significant ($F=16.7$, $p<.01$), with Taiwan indicating that right connections should be used more, while the other Asian countries and the Anglo countries indicated the opposite. The beliefs about these practices should be tracked, inasmuch as these particular practices are very much related to institutional contexts that the divergence argument is based on, particularly the culture and the state of unionization. For instance, Lowe, Milliman, De Cieri and Dowling (2002) pointed out that collectivistic cultures tend to emphasize seniority more than individualistic cultures (p. 73).

CONCLUSION

This study provides a quantitative analysis examining whether there is convergence in beliefs about the best practices in HRM among a culturally diverse set of countries. In general, there seems to be a directional convergence across a broad range of HRM practices, except for a few specific practices, but no final convergence. Countries are still grouped into two or three clusters, indicating differences in beliefs about the best practices in HRM. Inasmuch as soft convergence was noted in some aspects of HRM, such as hiring, for instance, it is indeed tempting to say that given time, countries will eventually converge. For instance, Rowley and Benson (2004) noted that beliefs and assumptions about HRM in the Asian countries they studied changed less than HRM practices, as it takes more time to internalize changes in beliefs and assumptions. However, whether or not final convergence will occur depends on whether or not the trend remains the same. However, as observed by Mayrhofer et al. (2004) in assessing the European countries, directions can indeed change. The question worth asking is what factors influence the change in direction. While the convergence/divergence debate suggests factors such as economic, technological, cultural, state or regulatory pressures, not many studies have done a systematic causal analysis. Most studies have done a post-hoc discussion of what might be influencing what has been observed in the data (e.g., Mayrhofer et al. 2004; Warner 2000).

Mayrhofer et al. (2004) suggest that the debate between convergence and divergence may not be fully resolved. Indeed, that may not be as important as understanding what drives convergence or divergence in HRM. Tracking the changes in these countries needs to be made continuously, and related to the hypothesized factors, much like a field experiment on a grand scale. Being able to specify relationships between the country's economic,

technological and institutional context and HRM will provide us the predictive ability to discern what might be successfully transferred from one country to another.

Limitations and future research

Longitudinal studies are still the best means to address the question of convergence and divergence. But the question need not be resolved by one study, as a longitudinal study involving multi-countries is indeed challenging. A collection of studies that point to consistencies should provide a strong basis for making a conclusion.

As well, this study did not provide any explanation about what drives the trend toward convergence. In this regard, the methodology used by Pudelko (2006) is worth following. He conducted a literature analysis on the socio-economic context of the U.S., Japan and Germany in order to rate these countries on specific factors. He then conducted a literature analysis on the HRM systems of these countries, again in order to rate specific aspects of HRM. The ratings enabled the positioning of the three countries relative to each other, as well as showing any correspondence in the positioning of the country between the socio-economic contexts and the HRM systems. Pudelko (2006) reviewed a large number of references, ranging from 73 to 98 for the socio-economic context, and from 52 to 113 for the HRM systems. However, a more important drawback may be absence or inaccessibility of studies of countries of interest.

The interest in beliefs about best practices in HRM is in the likelihood that such practices will eventually be implemented within the organization. While beliefs influence behaviour to a certain extent, there is no guarantee, as other factors may constrain application. As far as can be determined, no study has been made on the relationship of beliefs about HRM and actual practice. Thus, an ideal research would be to measure beliefs at time 1, measure application at time 2, and measure all factors that are deemed to hinder or facilitate application at time 1 and time 2. Findings from such studies would help practitioners especially in ensuring that there is a far greater likelihood that the practices would be implemented.

Finally, the conceptualization of best practices has been from the organization's interest, and not the interest of other stakeholders. Indeed, most of the studies linking HRM and firm performance have been from the perspective of shareholders or managers (Boselie et al 2005). While it is an assumption that what is best for the organization is also best for employees, a few studies have shown that some of these best practices result in negative outcomes for employees (e.g., Godard 2001).

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