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Human resource management in Chinese multinationals: three Nigerian case studies

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HUMAN RESOURCE MANAGEMENT IN CHINESE MULTINATIONALS: THREE NIGERIAN CASE STUDIES

**A Thesis Submitted in
Part Fulfilment of the
Award of Doctor of
Philosophy**

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ABSTRACT

A large and impressive body of literature has developed on the human resource policies and practices that multinational corporations (MNCs) adopt in respect of their overseas operations and the factors that influence them. It remains the case, however, that the focus of research attention to date has been on the policies and practices adopted by Western MNCs in respect of similarly located subsidiaries. The aim of this present study was to address this weakness in the literature by drawing on the findings of three case studies of human resource management in three Nigerian subsidiaries of Chinese MNS. More specifically, the study set out to (a) address the paucity of data on how Chinese MNCs approach the management of human resources in African subsidiaries, (b) shed needed new light on how far the approaches being adopted are marked by a hybridization of Chinese and western policies and practices, and (c) offer new insights on the tension that exists in the literature between the potential that is seen for harmonious value-based relationships between Nigerian staff and their Chinese supervisors and managers and evidence pointing to ones marked by substantial conflict.

The findings obtained are seen to make important contributions in each of these areas and to have thereby enabled the study's objectives to be met. In particular, they provide confirmatory support for the noted tendency of Chinese MNCs to place a heavy reliance on expatriate staff while pursuing low-cost-employment strategies; reveal relatively little in the way of hybridized human resource policies and practices, while

pointing to the adoption of highly ethnocentric approaches; and indicate the presence of substantial levels of workforce conflict that contradict the notion of substantial value alignment between Nigerian workers and their Chinese supervisors and managers. In addition, and importantly, the findings highlight the way in which labour management in the subsidiaries were influenced, both formally and informally, by wider political dynamics and processes involving trade unions and government. The thesis ends by putting forward suggestions for future research and drawing out policy implications for Chinese MNCs, trade unions and government.

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List of Abbreviations

AAA	Parent Company of the Service Company in China
BBB	Parent Company of the Construction Company in China
CCC	Parent company of the Manufacturing Company in China
ACFTU	All-China Federation of Trade Unions
ADMIN	Administration
AGM	Assistant General Manager
ACFTU	All-China Federation of Trade Unions
ADMIN	Administration
AGM	Assistant General Manager
CV	Curriculum Vitae
CCP	Chinese Communist Party
COO	Chief Operating Officer
CSO	Customer Service Officer
GDP	Gross Domestic Product
GNP	Gross National Product
DOI	Degree of Internationalization
EC	Emerging Countries
EM	Emerging Markets
EMNCs	Emerging Multinational Companies
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HC	Host Country
HCN	Host Country National
HO	Head Office
HQ	Headquarters
HR	Human Resource
HRM	Human Resource Management
HWPS	High-Performance Work System
IFC	International Finance Corporation
IHRM	International Human Resource Management
IMF	International Monetary Fund
M&A	Merger and acquisition
MNC	Multinational Company
MNE	Multinational Enterprise
MOFCOM	Ministry of Commerce
NYSC	National Youth Service Corps
PA	Performance Appraisal

PC   Parent Company
PCN   Parent Company National
PM   Performance Management
PRC   People Republic China

R&S   Recruitment and Selection

SOE   State Owned Enterprise

POE   Privately Owned Enterprise

T&D   Training and Development
TU   Trade Union
UK   United Kingdom
US/USA   United States /United States of America

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I would like to specially thank my parents, Pa Adesiji Ayodele Mate and Mojisola Adetoro Mate (JP), the vessels God used to bring me into being and who supported all I did, their love and support were unfailing in this long journey. I am profoundly grateful to Professor Philip James, who came late into my PhD programme but whose impact structured and summarised the years I have put into this programme.

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Finally, I am deeply grateful to my teachers, lecturers and supervisors, friends, associate and fellow students for their financial, material, moral and spiritual contributions.

Declaration

I hereby declare that I composed all the
work in this thesis except where specific
references were made.

Modupeola A. Buraimo
Middlesex University, 2019

Dedication

To

Fatai Adetan Buraimo, my husband, my heart beat whose impact in my life I will cherish forever, when God made husbands, he gave me the best

Anna Kyprianou, my Dean and protector, she defied all odds to make this a reality, I will forever be grateful

Obaseyi, Obafemi and Obatobi, the three musketeers God has given me to love unconditionally

"…. You are highly lifted up, there is no one like you Abba Father…Hallelujah"

CHAPTER ONE: INTRODUCTION

1.1   Background: Introduction

This introductory chapter has four purposes. The first is to briefly contextualise the study in relation to existing literature in order to demonstrate its relevance, and potential contribution, to current knowledge within the field of international human resource management. The second is, against this backcloth, to succinctly set out the rationale for, and aims and objectives of, the study forming the subject matter of the thesis. Finally, the third is to summarise the methodological choices made in relation to the study's design and the fourth is to detail how the remainder of the thesis is structured.

1.2   The study and existing literature

A substantial body of research has developed shedding light on the varying nature of the human resource strategies and policies of MNCs and the factors that influence their local, subsidiary level implementation. This research highlights that there is not one single approach adopted by MNCs towards the management of human resources in their overseas subsidiaries. Instead approaches can encompass highly ethnocentric ones which involve the exporting of employment policies and practices to subsidiaries that closely align to those used by the parents in their home country and strongly polycentric ones under which such policies and practices are very much aligned to those utilised in the host country of a subsidiary. They can also encompass the promulgation of common policies and practices, either universally or at a regional level, that reflect a range of different national, and hence cultural, influences (see e.g.,

Heenan and Perlmutter, 1979; Bartlett and Ghosal, 1998; Brewster et al, 2007; Harzing, 2000).

The literature also makes clear that a range of factors potentially influence the hu

man resource strategies of MNCs (see e.g., Harzing and Pinnington, 2015; Edwards's et al, 2007; Brewster et al, 2007; Bjorkman et al, 2007). These notably include cultural and institutional influence from the parent company's country of origin, dominant beliefs about what constitutes 'best practice', corporate experience of internationalisation, and the degree to which the activities of subsidiaries are integrated with those of the wider company. Meanwhile, inter-subsidiary variations can exist in the degree to which human resources are managed in a centralised, corporate way which reflect such factors as whether subsidiaries have been acquired or take the form of 'greenfield' operations, and whether they are based in developing countries (Tayeb, 1998; Harzing and Pinnington, 2015). They can further occur due to a need to adapt policies and practices to take account of host country cultural and institutional factors. Finally, it has also been shown that these last factors can act to facilitate or hinder the ability of MNCs to successfully import into overseas subsidiaries desired policies and practices.

The fact remains, however, that this substantial body of literature is for the most part based on research undertaken within Western MNCs and in relation to subsidiaries that are similarly geographically located. It consequently remains unclear how far current research findings can be viewed as applicable to the management of human resources in

subsidiaries based in developing economies that belong to MNCs that are themselves based in such countries. In particular, little attention has been paid to the cultural and attitudinal dynamics which surround the implementation of human resource policies in such contexts.

More specifically in relation to the present study, relatively little evidence exists regarding how Chinese MNCs approach the management of human resources in their African operations (see e.g., Cooke, 2017, Kamoche and Siebers, 2015; Wood et al, 2014; Davies et al, 2008). That which does exist suggests that senior management positions tend to be reserved for Chinese personnel. In addition, as noted by Cooke (2012), while there is evidence of considerable variation in the HRM approaches adopted, it appears that they most commonly involve a combination of paternalist management and the utilisation of low-cost employment strategies encompassing low wages, little investment in staff development, informal recruitment, and the use of casual and unskilled labour (Cooke, 2012). Alongside this, there is some evidence that Chinese MNCs have a poor record of complying with local employment regulations and at times rely heavily on expatriate labour, particularly where local skill shortages are perceived to exist (Cooke, 2012; Xing et al, 2016).

Even less evidence is found to exist regarding relations between Chinese MNCs and their African workforces. The evidence that is available, however, suggests that tensions frequently arise due to both the low-cost employment strategies adopted and cultural-based differences between the work attitudes of local staff and the expectations of Chinese managers (Xing et al, 2016; Cooke et al, 2015; Jackson, 2014). In particular, there

is evidence that the latter at times are frustrated and disappointed by the lower priority accorded to work by African staff and their consequent failure to reciprocate managerial paternalism. At the same time, however, these findings have been noted to exist alongside domestic cultural values that bear a good deal of similarity to the collectivist and familial ones found in Chinese society: an overlap that would seem to potentially provide a basis for the creation of collaborative and positive employment relationships (Jackson, 2014). Such a view would in turn seem to receive some reinforcement by the way in which human resource practices in Nigeria overlap with those in China as to the role of informal recruitment, a tendency towards the use (and acceptance) of autocratic decision-making and a cultural resistance to rewards based on individual achievement (Omisore and Okofu, 2014; Han and Han, 2009).

1.3   Study rationale and purpose

As the above has highlighted, two related weaknesses can then be identified in the existing literature surrounding human resource management in MNCs. The first of these is a pronounced and dominant focus on western based MNCs and particularly those headquartered in the United States and Britain. The second is a concentration on subsidiaries that are similarly, geographically located. Together these features therefore mean that we continue to know comparatively little about how MNCs headquartered in developing countries manage human resources in subsidiaries that are also located in such countries.

The central purpose of this thesis is to contribute towards addressing these weaknesses in the current literature by undertaking three case studies of

human management in the subsidiaries of Chinese MNCs based in Nigeria aimed at shedding light on:

a) The human resource strategies and policies utilised in the subsidiaries

b) How far these policies and practices appear reflective of local and wider corporate influences; and

c) Local workforce responses to those policies and strategies and the factors influencing them.

More specifically, within this overall aim, the thesis sets out to utilize the findings from the above study to examine:

a) how far they confirm existing evidence that Chinese subsidiaries in Africa tend to (i) rely heavily on expatriate labour and (ii) adopt low-cost employment strategies.

b) the relative role played by country of origin, 'best practice' and host country influences in shaping how human resources are managed in such subsidiaries; and

c) the nature of the dynamics surrounding the relationships subsisting between subsidiaries and their local staff.

It is argued that together the findings obtained in these three areas will enable the study to make important contributions towards addressing several significant weaknesses prevailing in the existing literature. The findings relating to (a) will help overcome the remaining paucity of data on how Chinese MNCs approach the management of human resources in African subsidiaries. Those concerning (b) will, in particular, shed important new light on how far the approaches being adopted are marked by hybridised Chinese and western policies and practices. Meanwhile,

those obtained in respect of (c) will offer valuable new findings regarding the tension that exists in the literature between the potential that is seen to exist for harmonious value-based relationships and evidence pointing to ones marked by substantial conflict.

1.4   Methodological choices

After reviewing the various options relating to the design of the empirical part of the study, it was concluded that a multiple case study approach should be adopted. It was further decided that, in common with the case study approach more generally, multiple sources of evidence would be drawn upon (Yin, 1994; Mintzberg and McHugh, 1985) but that the main research tool would be in-depth semi-structured interviews (Robson, 1993, Tull and Hawkins, 1993). At the general level, the priority accorded

to such interviews reflected the observation of Saunders et al (2009) that the complexity of the social world of business cannot be framed into definite theories and laws as is obtainable in the sciences and hence cannot be adequately understood through positivist quantitative analysis. At a more specific level, it reflected the need to obtain data that would enable the study's objectives to be adequately pursued. Thus, such interviews were seen to potentially provide data that could help understand not only the nature of existing policies, practices and relationships but the 'whys' that underlay them (Yin, 1994). As a result, they were viewed to be capable of supporting a study that not only wanted to identify the types of human resource strategies and policies utilised by Chinese MNCs in their Nigerian subsidiaries and how local workers were responding to them, but also the factors that were influencing the adoption

of these strategies and policies and workers responses. (see e.g., Hedlund, 1981; Ferner and Quintanilla, 1998).

Seven different organisations were approached about taking part in the study. In the case of three of these, no cooperation was forthcoming. In the fourth organisation, there was a positive response and some preliminary data collection were undertaken. However, it did not prove possible to build upon this initial fieldwork. This left three case study organisations, referred to in what follows as AAA Services, BBB construction and CCC manufacturing.

From the outset it was considered necessary in each case study to interview both Chinese Expatriates and local Nigerian workers, and both managerial and non-managerial personnel. Expatriates were considered more likely to be conversant with the relationships existing between the subsidiary and the parent company's headquarters, while interviews with managers more generally were needed to gain a sound understanding of the human resource policies and practices that were being used locally. Meanwhile, interviews with non-managerial Nigerian staff were required in order to both gain an understanding of local workers experiences and perceptions of these policies and practices, and the factors that were shaping them.

The three case studies were conducted between 2011 and 2014. Barring a little overlap, they were done sequentially, starting with AAA Services and then progressing in turn to BBB Construction and CCC Manufacturing. In all, 19 interviews were conducted in AAA Services,

six with Chinese managers and the remaining 13 with Nigerian members of staff. Fifteen interviews were conducted in BBB construction, six with Chinese managers and the remainder with Nigerian personnel. As regards CCC manufacturing, a total of 11 interviews were carried out in the company. Of those interviewed, six were Chinese members of management and five were Nigerian members of staff.

1.5   Structure of the Thesis

The remainder of the thesis is made up of eight chapters. The first of these provides a concise review of the literature concerning varying nature of the human resource strategies and policies of MNCs and the factors that influence their local, subsidiary level implementation.

The second, longer chapter, then explores what light existing literature more directly sheds on the nature and context of HRM in Chinese MNCs operating in Africa and, more specifically, Nigeria. To do this the chapter first examines various features of the domestic social and economic context of Chinese MNCs and how human resources are managed in China.

Attention then moves on to review what is known about the motives for Chinese MNC involvement in Africa and how they approach the management of human resources in their African subsidiaries. Finally, attention is paid to how far host country factors are likely to influence management practices and domestic worker reactions to them in the context of Nigeria.

The fourth chapter moves on to provide an overview of the methodological components of the research philosophy undertaken in this

study. It explains why the decision was taken to adopt a methodological case study design and the reasons for choosing the selected data collection methods. It then moves on to provide brief details of the three-case study organisations and the process that led to their selection and participation. Finally, the chapter outlines how the chosen data collection methods were operationalised, notably with regard to the number and nature of the interviews undertaken in each of the three companies.

The following three chapters – chapters 5, 6 and 7, then present the findings arising from the three individual case studies. To facilitate comparisons, these chapters are broadly structured in the same way. Thus, each starts with the provision of background information on the parent company, its entry into Nigeria and the subsidiary established in the country. This is then followed by discussions centered on the nature of decision-making and staffing in the subsidiary. Following this, attention is paid to the findings obtained in respect of the subsidiary's human resource function and the policies and practices adopted in respect of recruitment and selection, performance appraisal and rewards, training and development, and communication and worker voice. The final two chapters serve to draw the study's findings together. The first of these, chapter 8, compares and contrasts the findings emerging from the three case studies and in doing so flags up the key empirical conclusions that can be drawn from them. The second, the concluding chapter of the thesis then discusses how they confirm, contradict and advance existing knowledge, draw attention to several limitations surrounding the undertaken research and identify a number of issues arising from its

findings that merit further investigation.

CHAPTER TWO: Multinationals and HRM – A Brief Literature Review

2.1   Introduction

A substantial literature has developed relating to how multinational corporations (MNCs) approach the management of human resources in their overseas subsidiaries. This literature provides many valuable insights. However, it suffers from two related weaknesses. First, it focuses attention primarily on western based MNCs and particularly those headquartered in the United States and Britain. Secondly, the focus of attention has to date largely been on subsidiaries similarly geographically located. Together these features therefore mean that we continue to know little about how MNCs headquartered in developing countries manage human resources in subsidiaries that are also located in such countries.

As its introduction made clear, the central purpose of this thesis is to contribute towards addressing this feature of the current literature by providing three case studies of human management in the subsidiaries of Chinese MNCs based in Nigeria aimed at shedding light on:

a) The human resource strategies and policies utilised in the subsidiaries

b) How far these policies and practices appear reflective of local and wider corporate influences; and

c) Local workforce responses to those policies and strategies and the factors influencing them.

In the light of this research agenda, this chapter reviews current knowledge about the varying nature of the human resource strategies and policies of MNCs and the factors that influence their local, subsidiary level

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implementation. The next literature-based chapter then goes on to examine what is known about how Chinese MNCs manage human resources domestically and in their overseas subsidiaries and considers how far local cultural and institutional contingencies are likely to influence the latter.

2.2 Multinational HRM and its influences

In what follows attention is initially paid to the differing orientations or approaches towards the management of HR that can be adopted by MNCs. Following this, attention is paid to the factors that can act to influence which of these approaches is adopted and the challenges that can arise in relation to their implementation at subsidiary level.

2.2.1 Perlmutter's Framework

Howard Perlmutter work offers one of the earliest studies focused on the human resource strategies of MNCs and the way they operate in their host countries. In 1969, Perlmutter identified three broad strategies towards HRM that MNCs could adopt, which he labelled respectively ethnocentric, polycentric, and geocentric (Perlmutter, 1969). Subsequently, and in conjunction with Heenan, he distinguished a fourth, the regiocentric (Heenan and Perlmutter, 1979).

An ethnocentric approach is seen to involve an MNC applying policies to its subsidiaries that are similar to those utilised domestically. In support of this, key positions in subsidiaries are fill by parent country nationals (PCNs) or citizens of the country where the HQ is located. Subsidiaries are as a result controlled directly through expatriate managers, and host country nationals (HCNs) have limited opportunities to occupy senior management positions. Perlmutter argued that such an approach is most

appropriate during the early stages of the set-up of a subsidiary when the need for control is greatest. They may also be used when there is a perceived lack of qualified host country nationals (Dowling and Welch, 2004; Mayrhofer and Brewster, 1996). Bartlett and Ghoshal (1989) have also argued that it is an approach that is consistent with the need for most global companies to be centralised in terms of operation and policy conformity.

Various drawbacks of such an approach have, however, also been highlighted. For example, Tung and Miller (1990) have argued that it precludes the development of an international perspective on HR policies and practices that is needed to compete successfully in the global marketplace. In a similar vein, Kedia and Mukherji (1999) have observed that an ethnocentric orientation does not support the establishment of a 'global mind-set' among managers because it leads managers in ethnocentric organisations to perceive home country knowledge and personnel as hegemonic and superior (Schuler et al, 2002; Scullion and Collings, 2006). Other disadvantages that have been highlighted include its cost implications, the difficulty in getting PCNs staff to accept assignments in non-traditional destinations, and the way in which it can retard the development opportunities of high-performing HCNs. They also encompass the potential for pay disparities between home and host nationals to lead to perceptions of injustice and inequality, with adverse implications for HCN motivation and turnover, the risk that PCNs may be resented or rejected by host country employees on the grounds that they are seen to owe their allegiance to the HQ and not to the subsidiary, and

the lack of understanding that PCN's have of what is important to local consumers (Harzing and Ruysseveldt,2004; Harzing and Puldeko,2016).

Polycentric organisations are those that are host country oriented and in which foreign subsidiaries are primarily staffed by HCNs or managers from the subsidiary. Perlmutter in his work saw these organisations as akin to a confederation, that is a loosely connected group with quasi-independent subsidiaries as centers. Subsidiaries are allowed to develop with minimal interference from HQ, which uses good financial monitoring and procedures to keep their performance under review. Brewster et al (2007) saw this orientation as involving subsidiaries being treated as distinct national entities and providing opportunities for internal promotion within them. Research suggests that such an orientation is most likely to be evident where organisations serve heterogeneous product markets and where products and services must be adapted and marketed to suit specific national tastes. It may also be evident where organisations have low levels of production integration between foreign operations and thus in situations where subsidiaries can operate in a relatively autonomous way, with little impact on other subsidiaries. Such an approach has been argued to limit the careers path of both PCNs and HCNs. Thus, PCNs can find it difficult to gain experience outside their home country as there are few opportunities abroad, while HCNs career opportunities are generally limited to within the subsidiary (Dowling and Welch, 2004).

The geocentric orientation involves filling positions at both HQ and subsidiary level with the best person for the job regardless of nationality.

Nationality and superiority are not therefore viewed as related concepts and so, as Evans et al (2002) have observed, the skill of the person is more important than their passport. The geocentric orientation therefore reflects a truly global approach to the management of MNCs. It is consequently argued that geocentric organisations require high levels of communication and integration across borders, since the aim of the structure is to de-emphasise national culture and to emphasise an integrated corporate one (Edstro¨m and Galbrith, 1977, Caligiuri and Stroh, 1995). The notion of geocentricity is also consistent with the 'transnational' organisation form distinguished by Bartlett and Ghoshal (1989) that is characterised by a flexible organisational strategy that can respond to emerging developments in the business environment, and which comprises an integrated network of sub-units within which expertise and resources are neither centralised nor completely decentralised.

Finally, the regiocentric orientation is similar to the geocentric orientation. However, its distinctive feature is that parent-subsidiary integration is more strongly regionally focussed, with this integration most commonly pursued via the establishment of regional offices made up of staff from the region concerned. Regiocentric approaches therefore allow for the interaction of executives from the same geographic subsidiaries, facilitate sensitivity to local conditions and offer a way of combining together elements of the ethnocentric and polycentric approaches. Critics, however, argue that the approach can produce federalism and consequently constrain an organisation from taking a global stance. It also largely limits the career advancement of staff to the regional rather than HQ level (Dowling et al,

2008; Brewster et al, 2007).

Since Perlmutter's original work a number of alternative typologies of the human resource strategies of MNCs have been developed (see e.g., Harzing, 2000). For example, such strategies have been analysed in terms of the product life cycles of MNCs (Adler and Ghadar, 1990). These alternative typologies in large part, however, can be seen to overlap with that of Perlmutter and colleagues (Bartlett and Ghosal, 1998: 355). Indeed, a number of authors have argued that Perlmutter's typology has stood the test of time and remains relevant (Belanger and Giles, 2001).

At the same time, it has long been recognised that in reality the strategies of MNCs are unlikely to fall neatly into one or other of the categories distinguished in Heenan and Perlmutter's 1979 framework. Rather, as a result of the need to strike a balance between a number of overlapping local, national and international sources of influence (Sisson, 2001) MNCs will often find it necessary to adopt hybrid strategies in relation to the management of their subsidiaries, with such hybridity arising either at the level of formal policy or via pragmatic local adaptations of such policies at the subsidiary level (see e.g. Tayeb, 1998; Dowling and Schuler, 1990). In the context of the present study's focus on HRM in the Nigerian subsidiaries of Chinese enterprises, it has in fact been argued that it can be beneficial for MNCs to develop hybrid management approaches that embody a triangulation of 'East' and 'West'. That is approaches that incorporate a balancing of individualistic-orientated elements like performance-related rewards with collectivist-orientated ones such as harmony and teamwork (Zhu et al, 2007).

2.3 Influences on multinational HRM

MNCs are constrained in terms of the choices they can make when developing their approaches to the management of HRM within subsidiaries as a result of internal and external factors. In a recent analysis Harzing and Pinnington (2015) have valuably argued that these can usefully be grouped under four headings: dominance effects, international integration, country of origin and host country effects. In what follows these are discussed in turn.

2.3.1 Dominance's Effect

Meiskin (1995) has argued that at any one time there is a hierarchy of economies within the international economic system that give rise to dominance effects flowing from perceptions of the strengths and weaknesses of economic performance across countries. Hence strong performance in one country tends to give rise to interest from firms in other countries interested in borrowing elements of that specific business system. Consequently, HRM practices are not influenced by the legacy and force of institutions alone but by competitive pressures at the international level. In line with this, Puldeko and Harzing (2007) have drawn attention to how local HR functions show strong signs of converging to a dominant model irrespective of the home or host country involved. Hannon et al (1995) and Bjorkman and Lu (2001) have similarly observed the same with regard to subsidiaries within which MNCs have a dominant equity contribution. Meanwhile, Edwards et al (2007) in their study of MNCs in four countries concluded that stakeholders within multinationals can perceive the diversity of employment practices across national systems as an opportunity to

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advance the competitive position of the organisation as a whole in relation to other firms or that of a particular unit in relation to other units and subsidiaries within the company.

Edwards and Ferner (2004), in arguing that such dominant practices exist, see such dominance as reflected in notions of 'best or ideal practice'. In the case of HRM, such notions can be seen to reflect the dominant influence of U.S based specialists and journals, and to be linked to a universalist 'one best way' paradigm (Crawley et al, 2013: Brewster et al, 2014). Such a notion in turn has generated much debate as to whether MNCs from different countries are converging towards a global, standard HRM model incorporating similar strategies, policies and practices (Ferner, 1997; Sparrow et al, 1994). This process of convergence it is argued is further supported by factors operating at the global level. The supra-national framework of employment regulation in the European Union, for example, has been argued to exert pressures towards the convergence of practices (Ferner and Edwards, 1995). Meanwhile, other researchers have observed how French, German and Italian MNCs are responding to market pressures by 'Anglo-Saxonising' (Ferner and Quintanilla, 1998).

Such arguments, however, exist alongside counter ones pointing to the ongoing need for MNCs to be responsive to local conditions in the host countries where their subsidiaries are located, (Brewster et al, 2007; Bjorkman et al, 2007), as the discussion to follow of 'host country effects' illustrates. They also exist alongside evidence pointing to marked differences continuing to exist between the HRM approaches adopted by

MNCs from different countries of origin (see further below).

2.3.2 International Integration Effect

There is a good deal of research evidence pointing to the fact that the international strategies and organisational structures of MNCs, as well as the characteristics of the industries in which they operate, influence their HRM strategies. In particular, the nature of products and surrounding patterns of market competition have been found to exert an important influence over the internal structures of multinationals and hence the degree to which they operate on an integrated and centralised basis (Schuler et al, 1993; Edwards et al, 1999).

At a general level, these linkages have been highlighted by Porter's observation that where competition is highly internationalised, MNCs try to 'capture linkages across borders (Porter, 1998). They have also been well demonstrated by how Bartlett and Ghosal (1990) have linked the usage of the four different types of MNC structures they have distinguished to the characteristics of the industries within which MNCs operate. Thus, the multi-domestic form is argued to operate in industries in which competition in one economy is largely independent of that in another; the international one where it is possible to develop innovations centrally, the global in industries marked by standardised consumer needs and potential scale efficiencies from centralisation and integration; and the transnational in sectors where MNCs must respond simultaneously to varying requirements of global efficiency, national responsiveness and knowledge transfer.

Bartlett and Ghosal (1990) in common with other authors (e.g. Hedlund,

1986; Ferner, 2000; Ferner and Varul, 2000), have nevertheless argued that as a result of major changes in the world economy, such as more intensified competition, a degree of cross-national convergence in demand patterns and advances in information technology, the trend is towards more decentralised, loosely coupled structures in which attempts are made to achieve effective co-ordination while at the same time engage in some degree of decision-making devolution (Ferner and Hyman, 1998). Such analysis therefore suggests that the management of human resources, along with other functions, takes place within increasingly complex structures that are akin to Heenan and Perlmutter's geocentric orientation. The available evidence lends weight to this. To take one example, in a major survey of MNCs in Britain, Edwards et al (2007) found that relatively few were characterised by a straightforward hierarchical relationship between home country and their subsidiaries. Instead, in most MNCs there were intermediate levels within complex, multi-layered corporate structures. They further noted that among those MNCs which had such structures only four per cent identified the national subsidiary as the most important aspect of them because of the role played by divisions and regional blocks relating, for example, to Europe, Africa and Asia. Hence a group of software companies might be seen to operate alike and in different countries irrespective of their home country origin. In this regard, Harzing and Pinnington (2015) give the example of how IBM's operations are not structured along country lines but along product ones. Research indicates, however, that care must be taken not to adopt a purely deterministic view of the relation between general product market

characteristics and HR structures and management.

In particular, such relationships may be mediated by the degree of an MNC's internationalisation and the nature and strategic importance of particular subsidiaries. Thus, a number of studies have obtained findings indicating that firms in the early stages of internationalisation use standardised systems and procedures and favour an ethnocentric staffing policy to secure a substantial degree of central control (Welch, 1994; Dowling, 1989). Research has also shown that the degree of control exerted over subsidiaries tends to vary with the mode of their establishment, their location, their strategic role and their age and size (Tayeb, 1998). More specifically, evidence suggests that more centralised control tends to be exerted over 'greenfield sites', as opposed to acquired or joint venture ones, subsidiaries with a high degree of dependence on parent company resources, newer operations and those with a more strategic role. In addition, evidence points to MNCs exerting more control over subsidiaries located in developing economies (Child, 1973: Harzing, 2000) as they increasingly manage to disengage themselves from national constraints (Smith and Meiksins, 1995). It is therefore argued that the ability to transfer practices between countries is influenced by a hierarchical order within national economies that acts to create dominance effects. These effects in turn lead to a situation where MNCs in dominant economies tend to assume the superiority of their practices and a capability to transfer them to less developed host countries (Ferner et al, 2005). Thus, Chang et al (2012) have argued by the same token that managers and employees in subsidiaries in developed countries tend to

believe they possess superior managerial and technical knowledge to those based in subsidiaries in developing ones.

When considering the issue of centralisation, care must also be taken to not focus solely on control via the imposition of hierarchical structures since the literature reveals that MNCs have a number of different avenues through which they can seek to influence the behaviour of the subsidiaries. Thus, in broad terms, it reveals that in addition to using a combination of bureaucratic and output controls, MNC can seek to exert influence through direct and personal means (Child, 1984) and via processes of cultural and behavioral socialisation (see e.g., Baliga and Jaeger, 1984; Edstrom and Galbraith, 1977). Research highlights the use of all of these approaches. In the case of the first, for example, studies have highlighted how parent MNCs lay down rules, regulations and procedures (Child, 1973), employ reporting mechanisms to monitor subsidiary performance, and use such data to make 'coercive comparisons' between subsidiaries as a means of incentivising good performance (Harzing, 2000; Martinez Lucio and Weston, 1994). As regards the second, particular attention has been drawn to the role of expatriates in this regard (Ferner and Edwards, 1995). Finally, with regard to the third, four different mechanisms of socialisation have been identified. First, the attendance of subsidiary managers at corporate seminars, and training and educational courses (Evans, 1992; Kamoche, 1997a and b). Secondly, visits to subsidiaries by senior corporate managers (Welge, 1981). Thirdly, the establishment of career paths and rewards that encourage subsidiary level managers to behave in desired

ways (Bartlett and Ghosal, 1998). Finally, the transfer of subsidiary staff to other locations (Welch et al, 1994).

It further needs to be recognised that these different mechanisms of control tend not to be used in a mutually exclusive way. Rather, MNCs appear to use all three approaches but vary in the emphasis that they place on them. Hence Ferner (2000) has observed that 'MNCs rely on complex combinations of formal bureaucratic control and other mechanisms that not only coexist but also are mutually dependent'.

2.3.3 Country of Origin Effects

Country of origin effects refer to elements of the behaviour of MNCs which can be traced back to the characteristics of the national business system from which the MNC originates (Harzing and Pinnington, 2015). Such characteristics encompass a host of factors that together form the institutional context within which a parent company operates in its home or domestic national environment (see e.g., Whitley, 1992; Ferner and Quintanilla, 1998). They therefore include a country's corporate governance system, as well as the wider political one. They also include its industrial relations, training and education, and welfare systems, along with the nature of the inter- and intra-firm patterns of coordination within the economy (Almond et al, 2005).

The available evidence indicates that multinationals usually retain strong roots in their parent countries (Whitley, 1992, 1999; Ferner, 1997; Birkinshaw and Morrison, 1995:737). As a result, features of the home country can exert an important influence over how they approach the

management of human resources in overseas subsidiaries. For example, it has been argued that MNCs from countries like France and Germany tend to invest more in human resources as a reflection of their coming from 'insider' systems of corporate governance that are marked by an emphasis on longer-term corporate performance, less risk of hostile takeovers and

interlinked systems of shareholding (Marginson and Sisson, 1994). In contrast, it has been argued that those from Anglo-Saxon style 'outsider' systems, in which there are highly developed stock markets, a high potential for hostile takeover bids and an emphasis on short- term performance, will tend to be less likely to invest heavily in training and development. They will also, it is argued, tend to prioritise shareholder interests while placing less emphasis on the provision of forms of workforce representation. (Ferner et al, 2011).

Research undertaken on U.S based MNCs lends weight to these arguments. Almond and Ferner (2006), for example, argue that the primacy of shareholder rights within the financial system of the USA and the frequent management hostility to unionism in the country act to create a clear orientation within MNCs towards replicating these features in their worldwide approaches towards the management of human resources. Meanwhile, Ferner et al (2013) have shown how US-owned firms adopt a more centralised mode of decision making on HRM and consequently often seek to transfer HRM practices like performance related pay to their subsidiaries, and to exert tight financial controls. Such features can be contrasted with the way in which MNCs from Germany have been found to rely less on formal financial controls and more on performance

monitoring through informal systems of communication (Ferner, 1997).

At the same time, it must be borne in mind that the already discussed dominance effects may be acting to counter at least to some degree, such country-of-origin influences. For example, it has been noted that MNCs from a variety of European 'insider systems' have been Anglo- Saxonising as a means of addressing competitive pressures (Ferner and Quintanilla, 1998). There is also some survey evidence to suggest that a degree of convergence of human resource policies and practices is occurring among MNCs coming from different countries (Sparrow et al 1994).

2.3.4 Host Country effects

As noted above, research indicates that the degree to which the activities of a subsidiary are integrated into the operations of the wider parent company, as well as its location in a developing country, both tend to influence the extent to which MNCs seek to centralise decision-making and attempt more specifically to transfer human resource policies and practices. Additionally, there is also evidence that other subsidiary characteristics can be similarly influential. These include the age of a subsidiary and the experience of its managers, how far a subsidiary is dependent on the resources of the parent, and whether it constitutes a 'greenfield' operation, or one acquired or forming part of a joint venture. In short, findings suggest that MNCs tend to exert greater control over young and inexperienced subsidiaries, subsidiaries that are more resource dependent and 'Greenfield ones (see e.g., Tayeb, 2006; Young et al, 1985; Tregaskis et al, 2001). In addition to the influence of such subsidiary characteristics, how MNCs approach the management of human resources

in overseas subsidiaries has also been found to be importantly influenced by a number of cultural and institutional features of the host country environment. Thus, a variety of authors (e.g., McDonnell et al, 2015; Wachter and Muller-Camen, 2002) have argued that host country effects not only capture the constraining (and enabling) influences of legislation, or national collective bargaining and representation structures, but also the societally informed rationality of host country managers. It has consequently been observed that how human resources are managed in a subsidiary can be partly shaped by local isomorphism reflective of the regulatory, cognitive and normative profile of a host country (DiMaggio and Powell, 1983; Scott, 2001; Kostova and Roth, 2002; Harzing and Pinnington, 2015). It has therefore been argued that MNCs face a 'think global, act local' paradox (Dowling et al, 1999).

In terms of the first of these factors, Whitley (2001) has argued that the scope for MNCs to introduce their own, perhaps novel, policies and practices is influenced by the degree and embeddedness of national regulation, with such originality being easier in less actively regulated business and employment relations contexts. In a similar vein, Rozenweig and Nohria (1994) have noted how host country regulatory frameworks, the role of trade unions, and other institutional factors can be forces encouraging MNCs to localise human resource policies and practices (see also Ferner, 2000; Stalk et al, 2002). At a more specific level, for example, several studies have highlighted how some developing countries can impose indigenous employment quotas in order to ensure that investing MNCs provide employment opportunities for locals (see e.g., Florkowski

and Schuler, 1994).

In general, the evidence suggests that MNCs do seek to respect local employment practices. It further suggests that their employment standards are often superior to those of local firms. At the same time, it is also apparent that MNCs at times seek to locate in countries with low levels of employment regulation and to use them to introduce labour practices that would be unacceptable in their home country (Tregaskis, 1998). Indeed, the pursuit of lower labour costs may be an important motivation underlying MNC overseas investment decisions.

The evidence further indicates that the degree to which MNCs transfer HRM practices or localise them is influenced by the degree of institutional compatibility existing. In one study, for example, Cleveland et al (2000) noted how US MNCs sought to transfer headquarters HRM policies and practices to their Irish and UK subsidiaries due to low institutional dissimilarities between UK, Ireland, and the USA. In contrast, Gooderham et al (2006) have observed how high-institutional distance between the host and the home country can serve to increase the localisation of HRM policies and practices by MNCs. Tensions can therefore arise between the need to accommodate features of the host country environment and a desire on the part of MNCs to maintain consistency by transferring HRM practices to overseas subsidiaries and in this way contribute to the creation of a common corporate culture and to the effective co-ordination and control of international operations (Kim and Mauborgne, 1993; Kostova and Zaheer, 1999). It has been observed, for example, that:

'*...values and HR systems help to shape organisational culture and the people who operate within and influence that culture; …. MNCs therefore attempt to transfer their HRMpractices abroad'* (Myloni et al, 2004:3).

Such attempts to transfer parent company practices is well illustrated by Buckley et al (2003) examination of how US telecommunication company 'Motorola' established a wholly owned company in Tianjin, China in 1992. Thus, their study highlights the way in which the company transferred (successfully) organisational processes and practices, adopted a China Accelerated Management Programme, taught Chinese staff to speak English and sent them to US for training.

There is, however, much evidence that achieving such consistency in diverse economic environments can be difficult (Stalk et al, 2002; Jackson, 2012; Dupuis, 2014). It is also clear that planned transfers are frequently not successful (Bjorkman and Lervik, 2007).

Bjorkman et al (2007) have pointed to the inconsistencies that can arise as MNCs strive to maximise the normative practices of parent countries with the institutional pressures to adapt to host country legal and normative (cultural) environments. These contradictions it is argued are more apparent when marked cultural differences exist between the home and host country. At the same time, both Harzing (2003) and Kirkman et al (2006) have challenged this view, arguing that while differences between host and home countries matter, cultural distance is immaterial. Furthermore, and in support of this position, Harzing and Puldeko (2016) undertook a literature analysis of more than 90 previously published papers, as well as an empirical study involving over 800 MNC and found that host and home country institutional characteristics, such as investment

restrictions, political risk and cultural traits constituted far more important influences.

A host of studies add weight to these observations. At a more general level research has, for example, shown how the meanings of ideas, practices and policies go through processes of editing as they transfer from parent to subsidiary as a result of a combination of cultural and institutional factors and locally based vested interests (Sahlin-Andersson, 1996; Brannen, 2004). During this editing process some features of them can disappear, and others may be re- interpreted, while new elements can also be added.

In line with the above, researchers have shown how subsidiaries belonging to the same MNC can differ in the extent to which they implement and internalise organisational practices as a result of institutional and relational factors and, more particularly the institutional duality arising from parent and host country pressures pulling in different directions (see e.g., Kostova and Roth, 2002). Available findings therefore show how cultural as well as structural factors may prevent or limit the transfer of parent company practices. For example, United States and European MNCs operating in developing economies have been found to struggle to import desired practices due to culturally different attitudes to work, rewards and authority (Buckley and Casson, 1998). Meanwhile, and more specifically, it has been noted how in more collectivist societies the notion of performance-related pay may be less well received than it is in Anglo-Saxon ones (Lorenz, 1993).

2.4   Summary

The evidence reviewed above has highlighted that there is no one single approach adopted by MNCs towards the management of human resources in their overseas subsidiaries. Instead approaches can encompass highly ethnocentric ones which involve the exporting of employment of policies and practices to subsidiaries that closely align to those used by the parents in their home country and strongly polycentric ones under which such policies and practices are very much aligned to those utilised in the host country of a subsidiary. They can also encompass the promulgation of common policies and practices, either universally or at a regional level, that reflect a range of different national, and hence cultural, influences.

It has also been made clear that a range of factors potentially influence the human resource strategies of MNCs. These notably include cultural and institutional influences from the parent company's country of origin, dominant beliefs about what constitutes 'best practice', corporate experience of internationalisation, and the degree to which the activities of subsidiaries are integrated with those of the wider company. Meanwhile, inter-subsidiary variations can exist in the degree to which human resources are managed in a centralised, corporate way which reflect such factors as whether subsidiaries have been acquired or take the form of 'greenfield' operations, and whether they are based in developing countries. They can further occur due to a need to adapt policies and practices to host country cultural and institutional factors. Finally, it has also been shown that these last factors can also act to facilitate or hinder the ability of MNCs to successfully import into overseas subsidiaries

desired policies and practices. The fact remains, however, that the substantial body of literature reviewed is for the most part based on research undertaken within Western MNCs and in relation to subsidiaries that a similarly, geographically located. It consequently remains unclear how far current research findings can be viewed as applicable to the management of human resources in subsidiaries based in developing economies that belong to MNCs that are themselves based in such countries. In particular, little attention has been paid to the cultural and attitudinal dynamics which surround the implementation of human resource policies in such contexts. The next, literature-based chapter therefore considers this issue in relation to Chinese MNCs operating in Africa, and, more particularly, Nigeria.

Chapter THREE: The China –Africa HRM Nexus

3.1   Introduction

As indicated in the last chapter, the intention of the present one is to move beyond a relatively broadly-based review of the research on HRM in MNCs by examining what light existing literature more directly sheds on the nature and context of HRM in Chinese MNCs operating in Africa and, more specifically, Nigeria. To do this the chapter first, by way of background, examines various features of the domestic social and economic context of Chinese MNCs and how human resources are managed in China. Attention then moves on to review what is known about the motives for Chinese MNC involvement in Africa and how they approach the management of their human resources in their African subsidiaries. Finally, attention is paid to how far host country factors are likely to act to influence such management, as well as domestic worker reactions to it in the context of Nigeria.

3.2   Chinese MNCs and their domestic context

The literature reviewed in the last chapter highlighted how the country of origin of MNCs can exert an important influence over how they approach the management of human resources in their overseas subsidiaries. This section therefore focusses attention in turn on two important aspects of the domestic context of Chinese MNCs. First, the economic and political environment within which they are based. Secondly, the main features of HRM within the Chinese economy.

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3.2.1 Economic and political context

China is the most populous country in the world with over 1.35 billion inhabitants (https://www.cia.gov/ch). In 2011 the country overtook Japan to become the world's second largest economy in the world after the USA (data monitor; http://news.bbc.co.uk/1/hi/world/asia).

China represents one of the oldest institutions in the world, turtle shells with markings reminiscent of ancient Chinese writing from the Shang Dynasty have been carbon dated to around 1500 BC. (Rowley and Cooke, 2010). The reference year for China unification is 221 BC, when Qin Shi Huang expanded his large kingdom into an empire (Wei and Rowley, 2009b; Rowley and Cooke, 2010). Following this, successive dynasties developed bureaucratic systems enabling the ruling Emperor to control a large and diverse physical territory. This continued until the collapse of the Qing Dynasty in the aftermath of the Xinhai Revolution in 1911 and the establishment of the Republic of China. Subsequently, following a prolonged but intermittent period of civil war, as well as war with Japan, in 1949 the victorious Communist Party came to power and established the People's Republic of China (Wei and Rowley, 2009a).

The period from 1949 saw the creation of a centrally planned economy, with all industries owned and controlled by the state. In this context it has been argued that a dominant management style emerged that reflected a combination of Communist Party beliefs and Confucian values (Chatterjee and Nankervis, 2007:49). More specifically, what became known as an iron rice bowl system of employment was established

marked by centrally planned job allocation, guaranteed lifetime employment, egalitarian pay and "cradle to grave" welfare (Ding et al, 2000; Warner, 1993; 1995). Each state-owned enterprise (SOE) therefore

effectively represented a communal institution into which you were born, worked and retired. More widely, the post-1949 period saw the State control all aspects of workers' lives including the allocation of housing, food and clothing (Chatterjee and Nankervis, 2007; Rowley and Cooke, 2010). The period from the late 1970s, however, saw the passing of new enterprise laws that supported the emergence of a market economy and hence the gradual movement away from a State owned and controlled economy (Wei and Rowley, 2009b). In particular, during the period 1984-1993 managers of state-owned enterprises (SOEs) became responsible for profits and losses, with their rewards being linked to the meeting of specific performance targets. A second phase of SOE reform then started in 1993 which focussed on establishing a modern corporate governance structure in both China's large and medium-sized SOEs and the growing number of private enterprises.

An important consequence of this process of reform was the ending of the 'iron rice bowl' employment system, although state owned enterprises (SOEs) continue to dominate many key industries as part of a 'socialist market economy'. As a result, the reforms led to millions of workers being laid off as state enterprises downsized, closed down or transferred to foreign investors. As observed in the China Statistical yearbook 2005, whereas 78 percent of the urban workforce was employed in the state sector in 1979, this figure had dropped to 23 percent by 2007. Meanwhile,

the private sector has grown massively in terms of both the number of firms and the size of the employed workforce (Rowley and Cooke, 2010). Cooke (2008) has noted how Privately-owned enterprises (POEs) are often highly profit driven, and more adventurous and opportunistic than SOEs, who still outnumber them in China. Some of these POEs started from humble beginnings, as single- family businesses, and have grown to become MNCs with subsidiaries all over the world (Tsang, 2000). The table below demonstrates this growth in private sector employment clearly over the period to 2016.

Table 3.2.1   Growth in China Private sector 1973-2016

Ownership	1978	1980	1985	1990	1995	1998	2006	2012	2016
Total	401.52	423.61	498.73	647.49	680.65	706.37	764.00	767.04	776.03
Number of urban employed persons	95.14	105.25	128.08	166.16	190.93	206.7	283.10	371.02	414.28
State-owned units	74.51	80.19	89.90	103.46	112.61	90.58	64.30	68.39	61.70
Collectively owned units	20.48	24.25	33.24	35.49	31.47	19.63	7.64	5.89	4.53
Co-operative units	-	-	-	-	-	1.36	1.78	1.49	0.86
Joints ownership units	-	-	0.38	0.96	0.53	0.48	0.45	0.39	0.18
Limited liability corporations	-	-	-	-	-	4.84	19.20	37.87	63.81
Share-holding corporations	-	-	-	-	3.17	4.10	7.41	12.43	18.24
Private enterprises	-	-	-	0.57	4.85	9.73	39.54	75.57	120.83
Units with funds from Hong Kong, Macao &Taiwan	-	-	-	0.04	2.72	2.94	6.11	9.69	13.05
Foreign-funded units	-	-	0.06	0.62	2.41	2.93	7.96	12.46	13.61
Self-employed individuals	0.15	0.81	4.50	6.14	15.60	22.59	30.12	56.43	86.27
Number of rural employed persons	306.38	318.36	370.65	472.93	488.54	492.79	480.93	396.02	361.75
Township and village enterprises	28.27	30.00	69.79	92.65	128.62	125.37	146.80	*	*
Private enterprises	-	-	-	1.13	4.71	7.37	26.32	37.39	59.14
Self-employed individuals	-	-	-	14.91	30.54	38.55	21.47	29.86	42.35

Source: adopted from 2013 China Statistical Yearbook

This growth of POEs has occurred alongside a growth in foreign direct investment and the related establishment of joint ventures and foreign-own subsidiaries. Indeed, China has become the world's largest recipient of inward foreign direct investment (FDI) – the inward flow of FDI into China

increasing from US$1 billion in 1983 to US$53 billion in 2003 and US$60 billion in 2004 and 2005 (China Statistical Yearbook, 2008). This expansion of FDI in turn reflected major political developments. China's deepening re-integration with the global economy in the aftermath of the Cultural Revolution (Boisot and Meyer, 2008) commenced with the 'open door policy' established in the late 1990s. It then accelerated with the country's accession to the World Trade Organisation (WTO) in 2001. Given its abundance of cheap labour, these reforms resulted in the growing attraction of FDI and technology (Boisot and Meyer, 2008).

According to Rowley and Cooke (2010), this investment initially came from Chinese diaspora entrepreneurs but later came to be dominated by MNCs from developed countries. This investment cut across business sectors but with the manufacturing, retail and financial industries among the key recipients (China Statistical Yearbook, 2008). The resulting GDP growth provided employment opportunities to millions of rural migrant workers especially those laid off between 1998 and 2002 when the state sector restructuring was as its peak (China Statistical Yearbook, 2003). For example, Chinese GDP grew seven-fold between 2003 and 2016 (http://www.stats.gov.cn/tjsj/ndsj/2017/indexeh.htm China Statistical Yearbook 2017).

All of the above changes have not, however, occurred without political difficulties and challenges. In a recent study, Charney and Qazi (2015) noted that since the 2010s deepening of market-based reforms resistance has emerged from powerful groups in the state sector protecting their

interests. Society has also become more polarised by widening income gaps between urban and rural areas, coastal and inland regions, and the haves and the have-nots.

As a result, social fairness and justice have become important political issues, along with the issue of corruption. Bribery is now an unavoidable part of people's daily life, it being commonplace for ordinary people to give bribes for receiving appropriate treatment when giving birth, having medical operations or getting their children into good kindergartens and schools. It has even been argued that the growth of corruption far outstripped the growth of GDP over the decade from 2002 to 2012. Thus, Yang (2015) has observed that corruption might have accounted for 10 per cent of Chinese GDP in 2013. As corruption has almost always involved the exchange of power, money and privilege, it has been the focus of public anger and outcry. Party leaders, including the then-general secretary Hu Jintao, have consequently repeatedly warned that corruption represents the biggest threat to the party's continuing rule (Jianming and Zhizhou, 2008; Kuhn, 2011; Brown, 2015; 2019).

3.2.2 Chinese culture

The traditional Chinese culture has diverse and competing philosophies, including Confucianism, Taoism, Buddhism, and Legalism, with the first of these playing an important role in Chinese culture as a whole (Shenkar and Ronen, 1987). These diverse and competing philosophies are rooted within a value system which emphasised social order. Management in China is reflective of this cultural context and more particularly the notion

of Guanxi. This refers to the establishment of a reciprocal connection between two independent individuals that enables bilateral flow of personal or social transactions (Chatterjee and Nankervis, 2007:44) that benefit both parties and supports the continuation of the relationship (Yeung and Tung, 1996). The benefits might be long- or short-term. Guanxi is undoubtedly an important feature of business transactions in China. In one survey it was found that 70 per cent of Chinese respondents preferred to use it rather than rely on normal bureaucratic procedures (Wood et al, 2002). In line with this, numerous researchers, such as Chen and Wilson (2003), Ding and Akhatar (2001), Helburn and Shearer (1984), Taylor (2005), Zhu and Warner (2004a and b) and Rowley and Cooke (2010), have all noted its significance. Indeed, Chow (2004a and b) has highlighted how Chinese companies are accustomed to adapting their HR practices to the cultural realities of guanxi. Considerable effort can go into establishing good guanxi networks. For example, Yeung and Tung (1996) have also highlighted how tendering favours, nurturing long-term mutual benefits, cultivating personal relationships and breeding trust constitute four crucial elements in the maintenance of guanxi relationships. More widely, Luo (2000) suggests that guanxi differs from networking in the West in that it is ubiquitous and fundamental to day to-day activities. Exchanges favoured in Western society are sporadic and discrete in time while the Chinese focus on relationships created over long periods of time that are built on frequent exchanges (Michailova and Worm, 2003). Moreover, whereas in most Western nations business and social positions are quite separate, in China, interactions across these boundaries form part of a relationship,

meaning hierarchical relationships at workplace are replicated in a social setting (Luo, 2000).

To violate guanxi constitutes 'losing face' (mianzi), reputation or honour (Luo, 2000: Warren et al, 2004; Wong et al, 2016). Mianzi (or saving face) is a vital social element in the China business environment and emphasises the need to avoid causing public embarrassment by criticising, ridiculing or insulting superiors or subordinates (Lasserre and Schute, 2006). Face in Chinese, as well as other Asian, cultures are a serious business and no less so for its lack of tangibility (Chatterjee and Nankervis, 2007). Seligman (1999) has usefully drawn attention to the following characteristics of Mianzi and the implications that flow from it: Alongside money and power, mianzi is regarded as one of the three motivators that govern behaviour in China. There is loss of face if there is a public insult, humiliation or similar affront to personal dignity.

- Losing personal control in any way always constitutes serious damage to mianzi. Retaliation can happen after losing face as you will want the person to suffer the same humiliation.

- Rescinding an order can also be construed as a loss of face.
- As individuals can lose face, so also can organisation.
- Chinese spend more time thinking about face (not losing face) than Foreigners.

It has been argued that guanxi constitutes a 'modern day version of Confucian relationism, with its emphasis on indebtedness, obligations and reciprocity (Ip, 2009: 465). Ip (2009) has illustrated these features through

the idea of the Confucian firm which has the core principles of ren (a virtue or capacity of benevolence and compassion, yi (a sense of moral rightness) and li (conventions, etiquettes or norms). These principles it is argued would lead to the establishment of structure processes and   procedures informed by a desire to contribute to community and society, and to provide humane treatment through fair pay and generally promoting good morals.

Associated with the humanism of Confucianism, Chinese people it is argued, attach greater importance to the achieving of long-term goals (Chinta and Capar, 2007). They also are seen to rely more on accumulated wisdom, precedent and intuition than on reasoning and objectivity (Khairullah and Khairullah, 2013).

The Chinese mind-set, then, has distinctive elements and ones that are markedly different to those in the West. Chinese managers have therefore at times been found to encounter challenges when conducting business with others. Their potentially more collectivistic and egalitarian approach people management may similarly prove difficult to implement in more individualistic cultures. At the same time, such an approach, it is argued, may also face challenge from younger more educated and well-travelled members of the Chinese workforce (Hutchings and Weir, 2006 a and b).

3.3   HRM in China

As already noted, the move away from the 'iron bowl' employment system has led to the more extensive development of organisational level employment regimes as organisational leaders have faced the challenge of linking HR strategy to performance in a context marked by a

diversification of ownership forms and business portfolios, heightened market competition, and changing values and work ethics among a younger generation of workers more exposed to the influence of Western culture and ideology (Rowley and Cooke, 2010:17). English language research literature currently, however, provides a relatively limited picture of the human resource policies and practices of Chinese companies due to an over concentration of arrangements in MNCs and joint ventures, due in part to language barriers and problems of access (Cooke, 2009). Against this background, significantly different views exist concerning how far current policies and practices have been informed by the importation of Western orientated HRM (see e.g., Warner, 1993 and 2012; Saner and Yiu, 1994; Cunningham and Rowley, 2008).

Warner (1993, 1995 and 2012) has argued that organisations operating in mainland China have tended to incorporate Chinese characteristics in their HRM practices and that Western style HRM practices have not therefore fully replaced the old style of personnel management. In a similar vein, Zheng (2013) and Siebers et al, (2015) have argued that Chinese MNCs have absorbed the advanced policies and practices of HRM from developed countries in Western Europe and North America but modified them to fit culturally with the operation of large Chinese transnational organisations. These modified Western policies are now being transferred to less developed regions where Chinese MNCs invest and do business, with some further modifications based on the host conditions. In contrast, Benson and Zhu (1999) have challenged this view,

contending that the inflow of major Western companies into China, as well as the training and education of managers within and outside China, has led to the downplaying of Chinese characteristics in business relationship. In a somewhat similar vein, Gamble (2006a and b) has argued that western HRM practices can be transferred to China with limited need for adaptation. Later research by Hartmann et al. (2010) has lent weight to this view in finding that Western MNEs often now have the flexibility to introduce relatively unchanged HR management (HRM) practices from their home country to their Chinese subsidiaries. At the same time, marked variations in how Chinese organisations approach HRM have been observed and found to reflect the influence of surrounding institutional factors. For example, in a recent study Chen et al (2016) concluded that such variations reflect 'path –dependent choices' made by firms in response to their institutional contexts. In doing so, they argued that they were less attributable to varying 'ownership logics' than to production, requirements, cultures and traditions and foreign and regulatory influences.

In what follows what is known about domestic HRM policies and practices is reviewed through the lens of the HRM menu developed by Schuler and Jackson (1987) and hence through exploring in turn the issues of decision-making and planning, staffing (recruitment and selection), performance management, reward system, training and development, labour and trade unions.

3.3.1 Planning/ decision-making

Prior to the open-door policy, decision-making power within state owned organisations (SOE) predominantly resided with central or local government officials. Such officials were responsible for the allocation of labour (Cai et. al, 2011), with the result that job analysis was rarely conducted at the organisational level, and person specifications and job responsibilities were for the most part not formally defined. This situation was, however, reformed in the 1990s and the traditional Chinese personnel management system has gradually been eradicated (Warner, 1996 and 2009; Hassard et al, 2004); although the state still influences decision making in some SOEs (Warner, 2014). While organisational level decision-making power has grown, it tends to be centrally concentrated. In a comparative study of Chinese and British manufacturing firms carried out between January 1991 and March 1993, Easterby-Smith et al (1995) found that decisions that were broadly within the competence of supervisors in the British organisations were only within the gift of senior managers in China. Within SOEs decisions are still therefore largely made by members of the inner caucus. In POEs, decision makers have been found to be appointed based on their relationship with the founder or owner. It should, however, be noted that, reflecting the cultural aspects of Chinese society discussed above, evidence suggests a widespread acceptance of such patterns of decision-making (Redding, 1999; Khairullah and Khairullah, 2013).

3.3.2 Staffing (Recruitment and Selection)

Under the 'iron rice bowl' (tie fan wan) employment system, with its 'jobs for life' and a 'cradle to grave' welfare policy (Warner, 1993, 1995),

workers were born and educated into roles, spent their functioning lives doing them and retired to the institutionalized danwei (work unit). Consequently, there were no formal application, shortlisting and selection processes: a situation which resulted in a mismatch of skills and an inability of organisations to adopt strategies aimed at using workers for competitive advantage (Child, 1994; Chen, 1995; Warner, 2009). With the advent of the 'Open Door' policy and the 'Four Modernisations' of agriculture, industry, defense and science and technology there emerged a more individualistic market-based economy (Warner, 1996, 2000; Nolan, 2001). Alongside this, there was a clear shift away from central job allocation, lifetime employment, and egalitarian pay to organisation-based strategic planning and management (Benson and Zhu, 1999). Firms consequently acquired the ability to recruit, allocate and position staff according to their competence (Benson et al., 2000). Educational background more than political connection has gradually as a result become a factor in recruitment. Government interference and control are still obvious but organisation- based human resource policies have emerged, although the extent to which they are strategically orientated is less clear (Warner, 1993). The extent of the change must not therefore be overstated. Most SOEs still retain elements of the 'iron rice-bowl' and other traditional personnel management practices. For example, Lu and Bjorkman (1997) found that in many joint ventures Western-style HRM has not yet replaced existing personnel management and the transfer of such practices has been partial and involved the absorption of Chinese managerial culture and characteristics (Warner, 1993 and 1995). Brewster

(1988), similarly, has observed that Chinese MNCs have a 'clear preference to recruit internally from their current staff and prefer a significant degree of pre-selection rather than open recruitment' (Brewster, 1988: 17). Similarly, in their study of ten Chinese MNCs Shen and Edwards (2004) found that the approaches adopted to recruitment and selection differed to prevailing policies and practices in American and most Western European MNCs. More specifically, they found that some of the MNCs adopt an ethnocentric staffing approach, but with a strong polycentric tendency. Meanwhile none of the sample firms adopted geocentric staffing approaches. These findings were seen to reflect the fact that the MNCs placed an emphasis on controlling subsidiaries and coordinating activities throughout the corporation through the use of expatriates, notably as executives and financial managers. Shen and Edwards (2004) further found that, unlike Western MNCs, the Chinese ones tended not to adopt a single policy for all employees. Rather, they utilised different approaches in relation to different nationalities and types of staff. For example, recruitment and selection of executive managers (including HCN executives) and expatriates tend to be centralised, while recruitment and selection of non-executive HCNs was typically decentralised. Also notable was the fact that the selected firms paid less attention to previous international experience and interpersonal relationships, and no attention to issues of potential cultural empathy when making expatriate appointments. Guanxi however, continued to play an implicit role in the expatriate selection process and hence at times unqualified staff were selected for international assignments. Meanwhile,

more generally, as noted by Cooke (2012), globalisation has led to brain drain of home-grown talent through international migration and from Chinese owned firms to foreign owned MNCs in China. These features of Chinese MNC recruitment and selection can be seen to be broadly reflective of practices adopted within the private sector domestically. Thus, the available evidence suggests that considerable reliance continues to be placed on network-based recruitment practices (Smith, 2003; Han and Han, 2009). This continued reliance has existed alongside a large expansion in the use of informal forms of employment, such as temporary, seasonal and casual labour, particularly from the 1990s onwards in labour intensive sectors marked by high levels of competition, including retail and catering (Hu and Yang, 2001). Indeed, such labour makes up around half of employment in both the industrial and service sectors (The State Council, 2006); a situation which stands in sharp contrast with the job security previously offered under the 'iron rice bowl' employment system. Such employment, which has itself been accompanied by a growing use of employment agencies, was in part stimulated by the fact that it was poorly regulated. Subsequently, the Chinese government sought to address this situation through the establishment of a tighter regulatory environment through the enactment of new Labour Contract and Labour Disputes, Mediation and Arbitration Laws in 2008. The evidence suggests, however, that these new laws have had only a limited effect in terms of improving labour standards in respect of such workers (Cooke, 2010). Many continue therefore to work without possessing an employment contract with their employer.

3.3.3 Performance Management System

Performance management has existed in China for a long time. Rowley and Cooke (2010), however, describe Chinese performance management prior to the market-based reforms as being rooted in appraisal based on seniority, political orientation and moral integrity rather than competence and technical skills. In contrast, recent developments show the emergence of knowledge-based appraisal systems that emphasise good morals, adequate competence and positive working attitudes as judgement criteria. Rather than political ideology being a scale of measurement, as was the case prior to 1978, individual and team performance issues are now considered. In a similar vein, while previously there were no linkages to personal development, there are now linkages to it, albeit limited. Most of these changes have stemmed it would seem from the introduction of western management practices into China. Studies have shown, however, that collectivist societies such as China face challenges in implementing systematic systems of performance management (see e.g., Warner, 1995; Zhu et al, 2007). These highlight how communal values can undermine, at least to some extent, the individual achievement focusses of Western-style performance management systems and hence the effective or full implementation of such systems. Rowley and Benson (2002), for example, have argued that managers may adopt their basic principles but blend them with existing cultural influenced values.

Evidence suggests that such values have indeed meant that performance

appraisal in China does exhibit differences to that commonly promoted in Western HRM prescriptions. In particular, it tends to be more focussed on rewarding performance and less on its use as a means of identifying training needs and hence a development tool. In addition, within this focus, it appears, as Table 3.3.3 below illustrates, that there is a tendency to focus attention on work attitudes and effort, rather than performance outcomes, to emphasise the importance of maintaining 'face' and harmonious relationships, to accord weight to age and seniority, and to minimise performance (and therefore award) differentiation.

Table 3.3.3   China's Performance Characteristic in Contextual Content

Adapted from Cooke,2012)

Characteristics of performance management in Chinese MNCs	Content of the characteristic of performance management
Deeply embedded in the Chinese cultural Background	a. The respect for age and seniority b. The focus on guanxi, face and harmony
Strongly influenced by the teamwork perspective	Advocate the group-based evaluations and feedback rather individual evaluations and Feedback
More emphasis on behaviours and traits	Process-oriented rather than outcome – oriented
Regarding performance management as an administrative formality	The lack of utility and feedback of performance review to appraisers and appraises so they may not be serious enough.
High levels of subjectivity in the assessment implemented by managers	a. Some employees tend to be rated and rewarded favourably b. Managers have pressure to evaluate performance and distribute rewards as it may reduce the harmony in organisations.

3.3.4 Reward

Prior to the market-based reforms, China had a Soviet –style wage system that was introduced into the country in 1956 (Takahara, 1992). Under this, the government centrally controlled wages as part of the 'iron rice bowl' employment regime. The resulting wage structure was an inflexible and flat one with low pay differentiation between the bottom and the top of the organization. Meanwhile, 'iron chair' principles meant that rewards were linked to. In late 1984, Easterby et al, 1995 noted a system of structural wages was introduced containing four elements: a base wage (jichu gongzi)'; a position wage (zhiwu gongzi); seniority supplements (gongling jintie); and bonus wages (jiangli gongzi). While the first two applied to most workers, with the position wages linked to a national grading system, this was not the case with the bonus wage. For this reason, they were controversial. Most people did not accept the reform and, in order to acquire more funding for bonuses, companies circumvented official guidelines on bonus payments. The resistance to the bonus wages reflected how the collectivist orientation in Chinese culture means that people perceive themselves primarily as members of a group and secondarily as individuals. As Bozionelos and Wang (2007) have observed, differential rewarding introduces the idea that individuals work primarily for their own interests rather than for the benefit of the group and may be seen as potentially undermining harmonious group relationships between group members. In line with this, early experimental and scenario-based research showed that when asked to allocate rewards the Chinese utilized equality instead of equity-based rules in their decisions (Bond et al., 1982; Hui et

al., 1991; Leung and Bond, 1984). A later study by Chen (1995) similarly revealed a preference among Chinese for equity-based principles in reward distribution. Bozionelos and Wang (2007) have, however, argued that social and economic reforms have shifted the Chinese culture away from collectivism and the principles of Confucianism. Care must nevertheless be taken not to overstate the extent of this change, particularly in public sector organisations (Korzec, 1992). Nevertheless, there seems no doubt that financial rewards have become a central mechanism for recruiting and retaining staff, particularly in the private sector in regard to managers and other professional staff with skills that are in short supply (Chiu et al, 2002; Rynes et al, 2004). More specifically, performance-related pay has become the most important component of pay in the private sector, with a common usage of profit-related bonuses and share options for key members of staff (Cooke, 2008). In both public and private organisations, the above pay arrangements exist alongside the widespread provision of other benefits. In the case of the former, this represent, at least to some extent, a continuation of pre-reform practices under which staff were provided with an extensive array of benefits, such as canteens, housing, transport, medical care, sick pay and schooling. In the case of the latter, the benefits provided may encompass a similar array of matters, reflecting a traditional belief that employers have a moral obligation to take care of their employees (Cooke, 2012). As a result of the above processes of reform, according to Rowley and Wei, (2010), China's traditional pay system has been transformed from a state- administered reward system characterised by low wages and a flat wage structure into an enterprise –administered and contract/performance-

based system with diversified wage structures and flexible pay schemes.

Table 3.3.4 below illustrates this clearly in detailing the likely components

of reward packages in the Chines economy today.

Table 3.3.4   Likely components of a total reward package

Wages	Bonuses	Benefits
Skill-based wage	Performance /profit-related bonuses	Statutory benefits (i.e., five forms of social security;
Position wage	Stock options dividend	maternity, work-related injury, sick pay, medical care)
Performance-based wage	monthly, quarterly, annual bonuses	Company-based voluntary benefits (e.g., subsidies of
Project-based wage	not related to individual performance	transport and housing, paid holiday entitlement, social events,
Seniority wage	other types of bonuses (e.g., being a model)	entertainment, additional social security benefits, holiday
Overtime wage	worker, safety production awards)	tours, company –sponsored education, training and development
		Opportunities, other benefit in kind

Source: Cooke (2012)

3.3.5 Training and Development

The demands for productivity and profitability in Chinese companies are

beginning to resemble those found in western business organisations and

this it would seem has led employers in China to devote more resources to

the training and development of staff (Cooke, 2012). Atthe same time, this

expansion exists alongside a widely accepted failure to provide the skills

development needed to support the country's rapid economic development

as a result of insufficient investment in enterprise training and vocational

training (Cooke, 2008). This lack of investment has led to shortages of

suitable qualified staff across the economy, perhaps particularly at

managerial and professional levels. Paradoxically, however, these

shortages are widely seen to have created an unwillingness on the part of employers to invest in training because of fears that poaching of staff by other employers would limit the return on such investment. The findings of a number of studies act to evidence these points, while also showing that employer commitment to training and development varies across different parts of the economy. In a survey conducted by the Ministry of Labour and Insurance in 40 Chinese cities found the overall investment in enterprise training reported by the employers to represent 1.4 per cent of the total wage bill, which fell below the required level of 1.5 per cent (Cooke, 2012). Other research has suggested that many firms do not have training budgets or formal plans (Zhao, 2008; Li, 2005)). Such plans were also found to be more present in SOEs and among foreign firms and joint ventures, as well as among larger firms and those operating in knowledge-intensive sectors. There is also evidence that employers, because of staff turnover concerns, tend to concentrate training on the provision of non-transferable skills and to very much focus it on intermediate and senior level staff (Cooke, 2012). In addition, it would seem that training tends to focus on the provision of basic technical skill (Chen et al, 2009). In another study Li et al, (2008) found that a significant proportion of graduate employees in the Beijing area had never received any form of training due to employer concerns about potential staff turnover. Meanwhile a survey of employees carried out by Hutchings et al (2009) found that while nearly three-quarters of respondents had received off- the-job training during working hours, only a third reported the provision of continuous on- the-job training.

3.3.6 Worker representation

Founded on 1 May 1925, the All-China Federation of Trade Unions (ACFTU) comprises of 31 regional federations, 10 national industrial unions and 2.8 million grassroots ones that have between them over 302 million members. If these figures are correct, it has been calculated that they mean that union membership density in China stands at between 38 and 44 percent (Visser, 2019). The ACFTU It is the only organisation recognised by the government as representing workers in China and operates under the leadership of the Chinese Communist Party (CCP). In addition, much of its funding comes from employing enterprises via a two percent payroll levy (Traub-Merz and Pringle, 2018). Consequently, the motivations for union officials to carry out their tasks effectively comes 'from the party above rather than from workers below (Howells, 2008: 861). In line with that, the ACFTU has a duty to uphold the interests of the whole nation, a responsibility that means that its role can be seen to encompass exerting control over members in a context in which strikes are unlawful and to be marked by something of a split or dual identity (Chen, 2003). Historically, the ACFTU's main role at the workplace level was essentially a welfare one - as terms and conditions were determined centrally by the government, it was not engaged in collective bargaining. Only in 1992, via the Trade Union Law of that year, were unions given the right to conclude collective contracts at the enterprise level in respect of such matters as pay, health and safety, and working time (Chen, 2007). This right in practice, however, is a highly qualified one given the absence of a right to strike. Hence Metcalf and Li (2006) have noted that while China has more trade union members than the rest of the world put

together, their unions are virtually impotent when it comes to representing workers. In line with this, in a study of three organisations they concluded that 'the union is irrelevant, just organises sport and entertainment…. will soon fade away'. It has been observed therefore that when collective bargains are concluded, and signed workers derisorily refer to them as simply setting out 'themes' but having no real content. Unsurprisingly, therefore, it has been argued that the lack of effective collective rights 'render workers' individual rights vulnerable, hollow, unenforceable, and often disregarded (Chen, 2007: 77). This is particularly so since the links between unions and their members are often limited given that once a union is recognised membership is effectively automatic, with the result that workers might not even know that they are a member (Cooke, 2009).Since the mid-2000s unions have been actively seeking to recruit among the millions of rural migrant workers who have moved to the cities for work. These efforts have resulted in a growth in membership, as demonstrated by the fact that it has increased from 87 million in 1999 (Liu, 2010). Unions, however, have faced problems in gaining recognition from private sector employers (Cooke, 2007), notwithstanding that Chinese trade union law stipulates that unions should be established in workplaces with 25 or more workers (Liu, 2010). This is despite the fact that a growing number of private firms are reported to have been establishing Workers' Representative Congresses that are, in the words of Cooke (2012: 140), 'trade union-guided'. First introduced in the 1940s, these bodies are intended to provide a mechanism for worker participation. However, their modern establishment by private enterprises rarely it seems leads to the

recognition of a union. At the same time, there is evidence that in recent years Chinese authorities have been pressing foreign multinationals to recognize official unions (Kim et al, 2014).

3.4   China MNCs in Africa

In this section some brief background information is provided on the development of Chinese investment in Africa in general and Nigeria more specifically, with particularly attention being paid to detailing its nature and scale in the latter. Following this, attention is paid to the motives that have informed Chinese MNC involvement in the country and what is known about the HRM policies and practices that their subsidiaries have been adopting in their African (and Nigerian) operations.

3.4.1 The evolution of Chinese MNC engagement in Africa

The involvement of Chinese MNCs in Africa can be seen to have evolved in four phases (Gu, 2009). In the first, following the establishment of the People's Republic of China in 1949, only a few Chinese enterprises entered the African market, and they were mostly SOEs with the human resources mainly assigned by the Chinese government (Zafar, 2007). In the second period, from the 1980s to the mid-1990s, some large state -owned enterprises (SOEs) began to invest into Africa in support of diplomatic agenda, but the key positions and many skilled employees were still Chinese. Then, between the mid-1990s and 2000, SOEs primarily focused on investment in natural resources, strategic assets and infrastructure began to invest and commence operations (Zafar, 2007). In addition, some Chinese MNCs from the private sector started to establish African

operations (GU, 2009), notably ones engaged in the textile sector (Brautigam 2011). The final stage from 2000 until now has been marked by a substantial expansion in investment by both Chinese SOEs and private-sector MNCs (Mohan and Power,2008), often through engagement with the trade zones and industry parks that have been set up in many African countries, such as the Zambia -China economic and trade cooperation zone, the Ethiopia Eastern Industrial Park and the Nigeria Ogun Guangdong Free Trade Zone (Brautigam and Xiaoyang, 2011). Nigeria came second only to South Africa in terms of Chinese Foreign Direct Investment in Africa over the period 2003 and 2009, as shown in Figure 3.4.1 below.

Figure 3.4.1 China's top African Trading partners

Table 2 – China's top African trading partners, 2010

Import	%	Export	%	Total trade	%
Angola	30.5	South Africa	18.3	South Africa	22.3
South Africa	25.6	Nigeria	11.3	Angola	17.5
Sudan	9.0	Egypt	10.7	Sudan	6.2
Libya	6.0	Algeria	6.7	Nigeria	6.2
Zambia	5.2	Liberia	6.5	Egypt	5.8
DRC	5.0	Benin	4.4	Libya	4.8
Congo, Rep.	4.1	Morocco	4.3	Algeria	4.0
Mauritania	1.9	Libya	3.5	Liberia	3.1
Algeria	1.6	Ghana	3.3	DRC	3.0
Nigeria	1.5	Sudan	3.2	Zambia	2.9

Source: UN Comtrade, http://comtrade.un.org

Source: Adopted from UN Comtrade

Demand for energy was the initial factor for the Chinese relationship with Nigeria. However, Chinese investment has subsequently expanded into manufacturing and the information and communication technologies sectors. A formal diplomatic relationship between the Federal Republic of Nigeria and The People's Republic of China (PRC) was established in

February 1971 and saw Nigeria joining other countries to tip the scales in favour of Beijing's 21-year campaign to officially replace the Republic of China (Taiwan) in the United Nations and on the UN Security Council. It was during the 1990s, however, that political relationships focussed on economic collaboration. The late Gen. Sani Abacha, the military president of Nigeria from 1993 -1998, initiated the first such relationships with the of the Nigeria-Chinese Chamber of Commerce in 1994. From the start of the Beijing–Lagos political alliance, Nigeria asserted its foreign policy autonomy and was determined to avoid becoming a Chinese satellite. As Nigeria was largely cut off from Western aid during Sani Abacha's 1993-1998 military dictatorship, Nigeria adopted a 'Look-East' foreign policy. This approach greatly strengthened the Beijing-Abuja political alliance and built trust between the two countries.

The military relationship continued with Gen (rtd) Abdulsalami Abubakar (1998-1999) and Ernest Shonekan (1999-1999). It was, however, with the democratic rule of another military man turned politician, Gen. (rtd) Olusegun Obasanjo (1999-2007), that closer mutual relationships were developed. Since then, and up to the present ruler, the China-Nigeria relationship has evolved via the conclusion of a number of major agreements, as detailed in Table 3.4.1 below:

Table 3.4.1   Nigeria's Major Agreement with China: 2001-2010

Types of agreement	Year
Agreement on Trade, Investment Promotion and Protection	2001
Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Tax on Income	2002
Agreement on Consular Affairs	2002
Agreement on Co-operation on Management of Narcotic Drugs, Psychotropic Substances and Diversion of Precursor Chemical	2002 2002
Agreement on Tourism Co-operation	2002
Agreement of South/South Co-operation - China, Nigeria and FAO	2003
Memorandum of Understanding on a Strategic Partnership	2006
Agreement against fake products exported to Nigeria from China	2009
Memorandum of Understanding on promotion bicameral economic	2009
Co-operation and partnership between Ogun State of Nigeria and Zhejiang Province of China	2009
Memorandum of Understanding on peace co-operation	2010

Source*: MOFCOM (06/04/2004)*

During Obasanjo's regime the exchange of oil-for-infrastructure was the order of the day, the Federal Government of Nigeria awarding oil contracts on favourable terms in exchange for China's commitment to deliver key infrastructure improvement projects. The 'oil for infrastructure' approach was subsequently cancelled during the regime of late President Umaru Yar'Adua (2007-2010), who criticised its lack of transparency. The emergence of President Dr. Good luck Jonathan (2010-2015) after the death of Umaru Yar'Adua, however, led to the rekindling of the relationship with China via the establishment of a new plan for a strategic partnership intended to:

•   Enhance political mutual trust to promote strategic co-operation

•   Expand co-operation in areas including agriculture, oil, electricity, infrastructure construction, telecommunications and satellite

- Expand cultural exchanges and co-operation in combating various diseases including malaria, bird flu and more recently Lassa fever and Ebola.

- Strengthen co-operation in international affairs to promote world peace, enhance co- ordination and human rights, anti-terrorism and peacekeeping efforts and promote South-South and South-North dialogues.

Dr. Good luck Jonathan administration witnessed increased trade relations. Moreover, the legacy he has left behind might not be easily erased as he revived the 'oil for infrastructure' silently, being from the oil producing area himself.

3.4.2 Chinese MNC motivations

There has been a good deal of debate in the literature concerning the motivations behind the involvement of Chinese MNCs in Africa. For some they have primarily reflected a desire on the part of the Chinese government to access the abundant natural resources to be found on the continent and hence are seen to reflect neo-colonialist aspirations. For others, such a view is too simplistic and fails to capture their varying nature (Cooke, 2012). Taken together, the evidence appears to offer more support for the second of these views. Brautigam (2011) has observed that when China began to open the door to foreign investment in the later 1970s, Chinese companies took their first steps to generate business in Africa. In particular, construction companies sent over to build aid projects began obtaining private contracts when the projects came to an end. Subsequently, the involvement of Chinese MNCs expanded in stages and

became much more wide-ranging, as Table 3.4.2 below highlights.

Table 3.4.2:   Growth stages of Chinese companies in Africa

Stages	Main Features
Stage one 1949-80s	Limited number of Chines companies, mainly implementing Chinese official development projects
Stage two 1980s-mid 1990s	Large national and provincial level state-owned trading companies, closely associated with diplomatic agenda; few private companies
Stage three mid 1990s -2000	Emergence of large state-owned enterprises mainly seeking natural resources, strategic assets, and infrastructure investments; increasing number of private companies start exploring African market
Stage four 2000-05	Expansion of large state-owned enterprises and private companies; emergence of clustering development strategy e.g. trade zones; industry parks
Stage five 2005-present	Acceleration of private companies in various sectors and continued expansion of state-owned enterprises; the development of clustering industry strategy

Source: Gu, 2009.

As shown in Table 3:4.2 above and as previously noted, Chinese companies initially entered Africa in support of aid projects that themselves were often linked to diplomatic objectives. Gradually, however, with the support of the Chinese government, state-owned enterprises, notably oil and mining undertakings, started to enter the continent in pursuit of natural resources. It was this stage of the expansion that therefore prompted descriptions of neo-colonialism (see e.g., Tull, 2006; Askouri, 2007). Later developments have, however, seen a growing spread in the activities of Chinese MNCs, both state- and private-owned. Moreover, Gu et al (2016) have argued that while Chinese state business relations have been a key factor in explaining the country's engagement with Africa, the nature of these relations varies considerably.
As a result, they are much more complex than the widespread portrayal of them as being marked by state- directed, collusive behaviour aimed at

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Chinese state-owned enterprises acquiring the critical resources needed to sustain the country's economic growth. Rather, the government's role, although substantial, is 'contextual, rather than directive in character' (Gu et al, 2016: 25). Much of the engagement of Chinese MNCs in China cannot therefore be simply viewed as a straightforward product of government policy and direction. Instead, it has been much influenced by the commercial objectives of both state- and private- owned companies themselves, leading Horwitz (2015: 2792) to argue that the 'motivations for direct investment by Chinese and other MNCs [in Africa] are not as different as those of Western MNCs as some have posited'. Illustrative of this are the findings from a study of management practices in 29 Chinese organisations in Kenya. Thus, this found that while resource-seeking largely explained the behaviour of large state-owned enterprises, the entry of private firms and SMEs could be seen as a product of two categories of factors '(1) those who deliberately sought international opportunities out of genuine concerns about the viability of the Chinese domestic market and (2) those who ended up investing in Kenya as a result of a combination of opportunisms and serendipity without a grand investment strategy' (Kamoche and Siebers, 2015). Consequently, their findings echoed the view of Boisot and Meyer (2008) that the internationalisation of many Chinese firms reflected considerations of strategic exit rather than strategic entry into foreign markets (see also Child and Rodrigues, 2004).As Van Dijik 2007 has observed, China's engagement with Africa has then been importantly motivated by a number of national objectives: to secure raw material supply for China, to create a market for Chinese products and

services, to provide an alternative to the Western model for regional development and to gain diplomatic support from these countries in supreme international governance institutions such as the United Nations. It has also, however, been driven by straightforward business objectives. In relation to this last point, it must be noted that the activities of Chinese companies in Africa extend well beyond construction and the oil and mining industries. In the case of Nigeria, for example, Chinese factories employing Nigerians have been found to be producing building materials, light bulbs, ceramics and steel from salvaged ships (Brautigam, 2015). In the same study, one Nigerian official interviewed observed that 'The Chinese are trying to get involved in every sector of our economy'. Meanwhile, a recent analysis of HRM in Chinese MNCs in Asia and Africa drew on case study findings from companies in the IT/telecoms, construction, and light manufacturing sectors (Cooke, 2014), and the already mentioned study focussed on Chinese management practices in Kenya encompassed interviews in Chinese organisations in engineering, mining and construction, manufacturing, trading, media, catering outlets, and travel (Kamoche and Siebers, 2015). Evidence further indicates that many Chinese multinationals are also prominent in the small retail sector, 'with Chinese-owned shops providing very cheap manufactured goods for the poor, relying for competitive advantage on close relations with manufacturers and distributers in China and their ability to circumnavigate national customs barriers' (Cooke et al, 2015: 2656).

3.5   HRM in Chinese MNCs in Africa

In this section what is known about the nature of the human resource practices of Chinese MNCs in Africa is reviewed. Attention then moves on to a discussion of the limited evidence that currently exists shedding direct light on the responses of African workers to them.

3.5.1 Nature of HRM practices

Given the range of sectors and activities of Chinese MNCs in Africa, the research evidence, although relatively limited, indicates that how they approach the management of HRM also varies. This is most usefully highlighted by the series of case studies reported by Cooke (2014) of the HRM practices utilised by Chinese firms operating in Asia and Africa. The findings of these show such practices to exhibit significant differences, while reflecting the adoption of HR practices that represented a pragmatic mix of ones transferred from the parent company, developed by subsidiary managers and perceived Western 'best practice'. At one end of this variation was Huawei, a leading Chinese IT/telecom company, that deployed a high-performance model of HRM that encompassed selective recruitment, extensive training and career development opportunities, attractive remuneration and benefit package, performance- based reward and promotion, team building, and organizational culture-building activities, (Cooke, 2014: 884). In contrast, the firms studied in the manufacturing, construction and mining industries were found to employ mainly low-skilled and low-paid workers who had little job security. Although sometimes unionised, they were also found to have low labour standards and often little in the way of health and safety protection. Practices of the latter type also emerge as being most commonly

characteristic of the employment practices of Chinese MNCs in Africa in a number of other studies. For example, in their already mentioned study of Chinese management in Kenya, Kamoche and Siebers (2015) obtained findings indicating that the frequent adoption of a paternalistic approach commonly existed alongside a reliance on low-cost employment strategies that ranged from 'an absence of advertising in recruitment, little use of formal, 'time-consuming' recruitment practices to an emphasis on low wages' (Kamoche and Siebers, 2015: 2730). More specifically, they found that educational qualifications and previous experience were generally ignored at lower supervisory and ordinary employee levels, and the most sought-after qualities were honesty and punctuality. Such a picture is echoed in the findings and observations of other researchers. Wood et al (2014), for example, have noted in relation to MNCs from emerging countries more widely that:

'*Emerging-market MNEs were more likely to invest in low wage economies and did not appear to be concerned by local skills gaps; the latter would reflect the relative de facto ease with which even partially skilled expatriate labour can be imported into many African countries. At the same time, a reliance on low-wage, unskilled labour, coupled with the extensive use of expatriates, brings with it a wide range of challenges for the HR manager, which a firm committed to cost cutting may lack the capabilities to resolve*' (Wood et al, 2014: 194).

Jackson (2014) furthermore concludes that the existing evidence highlights that a similar pattern applies in the case of Chinese MNCs in sub-Saharan Africa. In particular, his analysis highlights how they tend to place a reliance on the localisation of employment practices, to make little investment in skills development, often place a heavy reliance on expatriate labour and rely predominantly on unskilled, often casual labour.

Meanwhile, both Cooke (2014) and Kamoche and Siebers (2015) point to the fact that Chinese MNCs often have a poor record of complying with local employment regulations. Care must nevertheless be taken not to overstate the extent to which Chinese MNCs import labour from China. Indeed, Brautigam (2015: 3) has referred to the 'persistent myth that Chinese companies employ mainly their own nationals'. In doing so, she notes how some oil- rich countries, such as Algeria, Equatorial Guinea and Anglo, do not allow Chinese construction companies to import their own workers. She also refers to a survey of over 400 Chinese companies undertaken by Sautman and Hairong in August2011. This study is noted to show that while management and senior technical positions tended to remain Chinese, more than 80 percent of workers were local. Other studies point in a similar direction (see e.g., Davies et al, 2008; Chen et al, 2009; Brautigam and Xiaoyang, 2011). Thus, taken as a whole, the evidence suggests that Chinese MNCs do tend to reserve senior management positions for HCNs, with the result that the recruitment of local Africans rarely goes above the supervisory and middle management levels. Outside of this, however, expatriation is largely shaped by the availability (or lack of availability) of skills locally. As a result, expatriation tends to be concentrated among technical and skilled manual labour; although there is some evidence to suggest that more wide-ranging reliance on expatriate labour is apparent in the construction and mining industries. The following quote from Davies and colleagues usefully draws out the inter-connections between expatriation and local labour markets:

'Chinese companies have no automatic preference for Chinese labour but given the lack of specialised skills in many African markets where aid projects are being implemented, the import of Chinese skilled labour is sometimes required….In these cases it is easy to note where misperceptions around the employment practices of Chinese companies may have arisen, as it may appear that Chinese companies are importing manual labour, when, in reality, Chinese labourers are brought in for their skills' (Davies et al, 2008: 17 quoted in Jackson, 2014: 911).

The role of local labour markets in turn provides a reminder that the HRM strategies and practices of Chinese MNCs cannot be divorced from influences stemming from their home, host country and broader corporate contexts. The previously mentioned study by Cooke (2014) serves to valuably highlight this. Thus, her analysis draws attention to the way in which their recruitment policies can be potentially influenced by the policies and influence of host countries, the position that the MNCs occupy in global supply chains, the distinctive role of trade unions in China, and the extent of corporate human resource and managerial competence. For example, Cooke notes how a failure to prepare executives for international postings can lead to a China-centric view that acts to create an institutional distance between Chinese MNCs and host countries and observes how trade unionism in China leaves Chinese managers largely ill equipped to negotiate with militant workers' representative organisations which are more commonly found outside China. She further highlights how consumers and other organisations in the global supply chain can potentially exert pressures towards the adoption of 'good HR practices.

3.5.2 Chinese MNCs, HRM and local responses

As already noted, a key motivation for the present study was the generally limited information available on how African workforces view the human

resource policies and practices of Chinese MNCs (Horwitz, 2015). What evidence does exist, however, suggests that their reception encompasses mixed views that at times are marked by hostility.

At the most graphic level, a number of commentators have noted that relations with local trade unions have on occasion been problematic. There is also evidence that the implementation of some of the HRM practices mentioned above has proved problematic. Cooke et al (2015) in a study of four state-owned mining companies with operations in Zambia, Zimbabwe, Congo, Kenya, Mozambique and Sierra Leone found that their desire to transfer engineers from China confronted the problem that such postings were perceived as unattractive to the younger generation in the Chinese workforce. To deal with this the firms had adopted a resource- intensive HR strategy under which they were provided with benefits like the provision of good chefs from China, enhanced accommodation arrangements, local staff to look after them and access to a car and driver. Such benefits, however, were reported to have created resentment and jealousy on the part of the local workforce. In addition, the creation of a Chinese living compound was seen to have reduced the willingness of expatriates to integrate with locals.

In a similar vein, some of the studies already quoted provide evidence of tensions with local staff arising from low-cost employment strategies and cultural-based disjunctions occurring between the work attitudes of locals and the expectations (and practices) of Chinese managers.

For example, in relation to the former, Kamoche and Siebers (2015) highlight that such employment regimes did not necessarily attract the best

candidates, noting that in the organisations covered the educational levels of many employees were rudimentary: a feature that clashed with the belief of Chinese managers that staff – through word-of-mouth recruitment - would only recommend 'trustworthy friends and relatives who would feel compelled to live up to expectations. In common with other researchers (see e.g., Jackson, 2014; Cooke et al, 2015; Xing et al, 2016), the same researchers found differences in culturally- informed attitudes permeating working relationships more widely.

Studies have found Chinese managers being surprised by the unwillingness of African workers to work overtime to earn extra money to bolster low earnings and to exhibit the same priority to work as that stemming from Confucian values of diligence and altruism (Cooke, 2012; Lee, 2014). It has similarly been noted how Chinese managers have been disappointed by the failure of African workers to reciprocate paternalist care by working hard and loyally (Cooke et al, 2015). For this reason, they have also been found to find the frequent turnover of African staff to be a challenge and to have found it necessary to adapt to how they are more motivated by immediate incentives than long-term career expectations:

'*Incentivising African employees is very different from what you do in China. In China the working environment is highly competitive, and it is not even necessary to guarantee promotion based on good performance. The boss will not promise you a promotion if a particular job is well done. In managing African employees, we must tell them that there is room for improvement, then articulate explicitly to what extent he can increase his salary. With a clear goal in mind, he will do his best in his job*'. (Xing et al, 2016).

Such findings clearly link into arguments surrounding the need for MNCs to adapt HR practices to local cultural contexts discussed in the last

chapter. They also more narrowly fit well with the findings of several studies that have directly (and rarely) investigated the responses of African workers to particular to HR practices (Sartorius et al, 2011; Okpara, 2007; Idiagbon and Oke (2011). It is in the light of such arguments and findings that attention therefore now moves on to an examination of features of the Nigerian host country environment that might be expected to influence how workers in the country respond to the human resource policies and practices of the Chinese companies employing them.

3.6 Nigeria as a host country context

To contextualise Nigeria as a host country for the management of human resources by Chinese MNCs in what follows key features of its indigenous culture are initially highlighted. Attention is then paid to the potential implications that this cultural context, and the country's colonial past, have for the human resource management policies and practices of MNCs.

3.6.1 The cultural context

Matondo (2012) has observed that there is no 'one' Africa culture or society. Africa is a vast continent comprising 54 independent nations, 1.02 billion people and over 3,000 ethnic groups speaking more than 1, 000 indigenous languages, in addition to six European ones (French, English, Portuguese, German, Spanish and Italian) carried over from prior colonisation. Sub- Sahara Africa is therefore culturally complex and commonly referred to as 'black' Africa. Enormous cultural differences consequently exist. Moreover, these exist not only among countries but within them.

Africa in addition to its ancestral culture has been influenced by occidental

civilisation during colonisation by the West. There are however inherent socio-cultural issues specific to the continent. Africa as a continent still revolves around complex ethnic, language and geographical affiliations, as opposed to race (Mello, 2014). An African may, for example, be a Hausa-Fulani and come from Nigeria, Cameroun, Cote D'voire, Chad, Togo, Benin, Ghana, Sudan or Libya. At the same time, these affiliations can give rise to inter-ethnic conflicts. Indeed, Nnoli (1995:1) has observed that the idea of a common identity, which forms the differentiating factor between 'us' and 'them', 'makes ethnic groups competitive rather than co-operative, and is characterised by cultural prejudice and political discrimination'. Ironically the practice of colonial powers, as they artificially divided the continent and forcefully brought people together as territories (Little, 1998), of seeking to divide and rule between different ethnic groups while treating them as equals, is seen to have contributed to such conflict. Thus, it has been argued to have engendered 'tribalism' (Leys, 1975) and to have created ethnic based competition brought about by a combination of ethnic self-affirmation and insecurity (see Marris and Somerset, 1971).

Most African countries are multi-cultural. This is also true of Nigeria. It is a country that has three main languages (Hausa, Yoruba and Ibo) and which is estimated to encompass over 250 different ones (Osaghae, 1991). These three different language communities exhibit marked cultural differences, both generally and in relation to how they approach work. Aluko (2003) has noted that Yoruba society is largely a collective one. At the individual level, they tend to respond to work according to the need and

dictates of the situation, while having a tradition of hard work and excellence as captured in their popular saying 'ise loogun ise', meaning work is the antidote for poverty. In contrast, Aluko argues that the Ibos are ruthless in their determination to succeed and their culture is adaptive to change, individualistic, and results oriented. An aggressive spirit should, it is argued, be anticipated in organisations. They can, nevertheless, be subservient and unalloyed in their obedience to superiors. They also believe that man must adequately motivate himself to work hard and that success comes with frugality (Morrill, 1963). Differently again, the Hausa custom, according to Aluko (2003), favours strongly servility, loyalty to management or leaders, submissiveness and respect for authority. Authority structures amongst the Hausa therefore place an emphasis on deference to authority, loyalty, obedience and sensitivity to the interests, opinions view and demands of one's superiors (Nnoli, 1980). Similarly, Aluko (2000) has observed that Hausas tend not to query authority, except on matters of religion and tradition, in relation to which they can become highly aggressive. These (and other) ethnic differences exist alongside, and overlap, religious ones. One of the extant bequests of the colonial era in Nigeria is consequently seen to have been the enthronement of ethno-religious identities—the kind that dethrone national identity and belie national interests (Agbiboa, 2013). Such identities can be seen to constitute an albatross around the neck of a true national identity in Nigeria (Ozor, 2009). The mélange of religion and ethnicity in Nigeria, coupled with the complex web of politically salient identities and a history of chronic and seemingly intractable conflicts and instability, qualifies Nigeria as the most

deeply divided state in Africa. With the religious demography in Nigeria approximately split between Christians and Muslims, in February 2004 Nigerians were ranked 'the most religious people in the world', with 90 percent of the population believing in God, praying regularly and affirming their readiness to die on behalf of their religious beliefs as mandatory and requested from them.

(Beliefhttp://news.bbc.co.uk/1/hi/programmes/wtwtgod/3490490.stm.).

Such cultural differences exist, however, alongside common cultural tendencies or characteristics. In general, communal life has historically played an important role in African societies. According to Biko (1978), it is never considered repugnant to ask one's neighbours for help if one is struggling. The philosophy of life is characterised by 'live and let's live together'. Relationships between individuals recognise their respective worth as human beings, rather than what they possess or can do for each other. In terms of reciprocity, people should help one another without demanding immediate or an exact equivalent remuneration. The art of dialogue and conversation is also a cherished value in African human relationships. People freely discuss their problems and look for suggestions and solutions together. An unwillingness to talk to people about private or public affairs can be interpreted as bad manners or a sign of enmity. Thus, Miahouakana (2008) has noted that, for Africans, people who discuss their affairs with others hardly runs into difficulties or makes mistakes in the execution of their plans. Similarly, he who seeks public opinion does not enter into trouble, and the one who tells people what he does never suffers mishap. In Nigeria, Yoruba people from the Western part of Nigeria say,

'the fingers of a man who has only nine are not counted in his presence', signifying mutual respect and human relationship. People especially men, as head of family and clan, have an obligation to cater for the less fortunate through their wives and children, meaning people have rights and duties and obligations and responsibilities toward each other. More widely, such a philosophy of inter-personal relations is captured in the notion of Ubuntu, a concept popularised in the late 1990s in South Africa by Mbigi (1997), among others, and which literally means 'I exist for others' (Mbigi and Maree, 1995). Intended as a basis for an indigenous African philosophy of management, central to it is an emphasis on the humanity of people and a move away from seeing them as (instrumental) resources (Jackson, 2014). It is consequently argued to capture the complex social relations that exist among people and the idea of caring for others as though they were members of one's own family, and to embody a humanism that regards people as an end in themselves, rather than a means to an end, and a collectivist orientation to organisational life. At the same time, colonialism in Africa took varying forms, reflecting both the different objectives and modes of governance pursued by the colonial powers. To complicate matters further, colonialism not only has left its mark institutionally on domestic educational, political, administrative and legal systems but also on local cultures. As a result, it has been argued to have produced a culture that is neither wholly local nor foreign (Abudu, 1986).

3.6.2 HRM and worker responses

As the discussion of host country factors in effect highlighted, it has long been recognised that 'many HRM practices such as selection, socialisation,

training and performance management are culturally bound' (Sartorius et al, 2011: 1964. See also Rozenweig and Nohria, 1994; Schneider and Barsoux, 2003). In the case of performance management, for example, it has been observed that its character varies in relation to organisational cultures as well as the institutional and cultural contexts within which organisations operate. It has consequently been argued that such management constitutes a social/political process that is effective when carried out with an understanding of the external environmental of an organisation, as well as surrounding cultural and legal norms (Murphy and DeNisi, 2008). Against this backcloth, the complex and diverse cultural environment of Nigeria potentially constitutes a national context that contains a set of contradictory challenges to MNCs wishing to import HRM policies and practices into it. This is particularly so when account is also taken of the country's past history of colonial rule. One of the leftovers from colonial rule was an approach to management, labelled post-colonial by Jackson (2014), that was centralised, bureaucratic and authoritarian (Kiggundu, 1989). This legacy is argued to have hampered efforts to develop flexibility, responsiveness and accountability within organisations (Carlsson, 1998; and Picard and Garrity, 1995). It has also been noted by Azolukwam and Perkins (2009) to have supported the use of predominantly control oriented management systems and standardised work functions that inhibit flexibility. This approach to management exists alongside an attitude to authority that has been described as 'almost subservience – certainly a little more than just respect' (Gardiner, 1998:496) which itself reflects a tendency for Africans not to question

those in authority (at home, at social gatherings, etc.). For example, Oppong (2006) has noted how respect for parents and grandparents, and cooperation and reciprocity within and between generations are pervasive and important values in African socio-cultural systems. As a result, in African society leadership is not separated from authority derived from old age, wisdom, status or formal position. Meanwhile, such respect for authority has been argued by Garner to have been further reinforced by the autocratic tendency of many African governments and the way that this has caused people to be cautious about expressing their disagreement with those in authority or with power. (Gardiner, 1998). At the same time, post-independence many African countries struggled during the 1960s and 1970s to transform their economies due to a lack of managerial skills (Edoho, 2001). Faced with the threat of economic collapse of their newly independent nations, African states embraced and embarked on neo-liberal inspired global modernisation projects, often under pressure from the IMF (Cooke, 2004:605). These projects included the devaluation of currencies and the deregulation and privatisation of state owned MNCs. African markets as a result became open to global competition, albeit with limited success and the onset of economic recession for most of them. Nigeria, for example, witnessed retrenchment and redundancies of workers as private investors initiated restructuring programmes (Jackson, 2004; Brewster and Wood, 2007). It became obvious towards the end of 1990s that neo-liberal driven reform projects had failed, and most Africa countries were worse off than they had been pre- independence (Naiman and Watkins, 1990). Nevertheless, one outcome was the widespread embrace of Western

management ideas and practices, including in the area of human resources. Another relating to the management of human resources was the way in which African states chose not to enforce labour standards as part of their quest to attract foreign direct investment (Okafor, 2012; Jackson, 2002).

The introduction of such Western managerial notions, it has been argued, led to a cultural disconnect with local indigenous cultures, leading Harvey (2002) to describe HRM in Africa via a 'Alice's Adventures in Wonderland' metaphor. Critics have consequently argued that, like preceding colonial influences, their implementation has created a disjunction with the cultures and traditions of African communities (Ayittey 2000; Dia 1996). Jackson (2004), for example, has argued that they have created a situation in which African employees and managers 'who go into work in the morning step out of their own culture and enter a different one in Western MNCs'. Consequently, a number of writers have called for the adoption of management approaches that are more reflective of, and compatible with, African culture values (Mthembu, 1996; Gardiner, 1998; Budhwar and Debrah, 2005; Marais and Marais, 2007; Fenelon and Hall, 2008).For example, Swartz and Davies (1997) have pointed to the need for organisations in Africa to draw on indigenous cultural practices in order to improve the management of companies, while Kamoche et al (2015) have argued that MNCs need to design organisational strategies and capabilities that make sense within local contexts. Such views moreover receive support from the case study findings of Satorius et al (2011: 1976) in Mozambique that employee perceptions of HR practices had improved through the adoption of a programme that included 'mutual socialisation,

communication, and revised diversity management practices, along with revised fringe benefits. They also take on added weight in the light of several other African-based studies that similarly highlight the value of taking local cultural values into account (see e.g., Oke, 2011; Okpara, 2007). It is in this context that Jackson (2004:20-22) has distinguished between four idea types of management: post-colonial; post-instrumental, African renaissance and the Confucian firm. In doing so he both draws a conceptual distinction between Western based instrumental approaches and those of an African renaissance type that he sees to be more aligned with collectivist and humanist African values, by for example embodying flatter hierarchies, a stakeholder orientation, and participative consensus seeking (see appendix). Certainly, existing evidence indicates that attempts to implement Western HRM approaches have met with mixed results. In a study of HR practitioners in Nigeria, for example, it was noted that 'they appear to be simultaneously challenged by both universal convergence factors (such as globalisation and technology) and locally divergent factors (such as nepotism, bribery and corruption) leading to a blend of transplanted (hybridisation) and indigenous managerial behaviour' (Azolukwam and Perkins, 2009:77). Similarly, Fajana and Ige (2009) have argued that Nigeria lacks indigenous and comprehensive HRM models, with the result that practices in the country tend to be a blend of transplanted and indigenous practices. Such findings lend weight to the argument that 'many HRM practices such as selection, socialisation, training and performance management are culturally bound' (Sartorius et al, 2011: 1964. See also Rozenweig and Nohria, 1994; Schneider and

Barsoux, 2003a). They also more specifically receive reinforcement from the evidence available on the way in which the cultural context of Nigeria impacts HRM practices. According to Fajana et al (2011), in Nigeria planning and decision making in terms of organisational control is in the hands of management and aims to match employee goals with desired objectives. However, since the emergence of a strong nation-state has been hampered by centrifugal ethnic forces in Nigeria, many employees in the public sector owe more loyalty to their ethnic roots than to the Nigerian state, which is seen to have little meaning beyond a geographical expression for many workers. This therefore suggests that the level of co-operation a specific ethnic in Nigeria will give a manager is proportionate to the manager's ethnicity (Fajana et al, 2011). By extension, and as also noted by same authors, managers will have tendency to favour those sharing the same ethnicity. Similar cultural influences have been found in a number of HRM related studies. For example, Oppong (2006) has noted how jobs may be defined to reflect ethnically influenced skills, therefore suggesting that compatibility with other communal workers (members) may be considered more important than education and other attributes. In a similar vein, Satorius et al (2011) has pointed to how African workers will be unhappy if jobs are given to better qualified expatriates or non-group members (Sartorius et al, 2011) and Okpara and Wynn (2008) have drawn attention to the role that favouritism (and nepotism) play in recruitment and selection processes. In Nigeria the best candidates for jobs may well not therefore be selected. Rather, selection is likely to be influenced by the relationships an applicant has with current employees as well as family

relationships more generally (Mullinge and Mueller, 1998; Carmichael and Rijamampianina, 2007; Dimba and K'obonyo, 2007; Oppong, 2006). Thus, kinship and relationships can play major role in recruitment processes. In a study of public service in Nigeria, for example, Omisore and Okofu (2014) noted how recruitment on merit is often jettisoned on the altar of ethnicity and religion. In line with this, Jackson (2004:196) has stated that 'Nigeria appears to be highly ascriptive based on family background [and that] this may influence recruitment and promotion policies and at variance to western culture'. Similarly, Moran et al (2007:642) have observed that 'A Nigerian manager at a higher-level position may feel obligated to find jobs for his or her family and will not hesitate to 'pull-strings' to employ them. If the Nigerian is very powerful, there is nothing a foreign businessperson can do to stop this practice…. For these reasons and as observed by Fajana et al (2011), recruitment more than any other HR practices has attracted government regulations in order to curtail the exercising of ethnic preferences. More specifically, section 14(3) of the Nigerian Constitution states that: '…*the composition of the Government of the Federation or any of its agencies and the conduct of its affairs shall be carried out in such manner as to reflect the federal character of Nigeria. The need to promote national unity, and also to command national loyalty thereby ensuring that there shall be no predominance of persons from a few States or from a few ethnic or other sectional groups in that government or in any of its agencies'*. Mustapha (2007) notes that the drafters of the constitution were of the opinion that fear of ethnic based domination or exclusion were salient aspects of

Nigerian politics. It was therefore essential to have specific provisions to ensure that there was no predominance of persons from a few states or from a few ethnic or other sectional groups in the composition of the government and its agencies'. These provisions have not, however, deterred staffing in Nigeria being informed by ethnic considerations. More widely, the collectivist culture of Africans suggests a preference for activities that are group based and act to keep ethnic groups together (Khan and Ackers, 2003; Okpara and Wynn, 2008) and a disapproval of individuals who place themselves above fellow community members. While, as Jackson (2004) has noted, there is little literature on performance management in Nigeria, that which exists echoes such arguments in suggesting that managers do not like linking pay to performance or promotion, as opposed to seniority (Azolukwam and Perkins, 2009; Mamman et al, 2009) Such findings therefore also echo the argument of Oppong, (2013) that, in upholding the values of respect for age and the elderly, promotion in Nigerian organisations is more likely to be based on seniority. The historical and cultural context of Nigeria, as an African country, has, the evidence suggests, potentially important implications for how the desired HRM policies and practices of MNCs are likely to be received. In particular, it suggests that tensions can arise between cultural values that emphasise respect for age and seniority, and policies that emphasise selection, reward and promotion based on merit and performance. It also points to the fact that religious and ethnic identities may act to circumscribe the implementation of such policies, and that attempts to develop devolved and empowered management structures may face difficulties in a culture that

accords much respect to authority. Finally, and more generally, an attachment to collectivist social values may act as a further barrier to the pursuit of highly individualist and enterprise centric strategies and policies, including as a result of the important role that trade unions play within Nigerian society.

3.6.3 Trade unions in Nigeria

The origins of the trade union movement in Nigeria can, it has been argued, be traced to the pre- colonial period and the creation of organisations in particular trades and crafts to regulate trade practices, offer mutual aid and fix prices (George et al, 2012). Such organisations existed, for example, among blacksmiths, carvers and weavers (Egboh, 1968; Ananaba, 1970). The evolution of formal trade union organisation in the country is, however, generally seen to coincide with colonialism and to have commenced in 1912 when workers in the Southern Nigerian Civil Service established a system of worker representation that in 1914 became known as the Nigeria Civil Service Union (NCSU) (Okonkwo, 1993). Subsequently, notably from the 1930s on, workers in other sectors sought to follow this example and establish their own union organisations (Yesufu, 1962). Unions that emerged during this period included the Nigeria Native Staff Union, Nigerian Union of Railway men, Nigerian Mechanics Union and the Nigerian Union of Teachers (see e.g., Nwoko, 2009). This process of development, and the conflict associated with it, both prompted and was further stimulated, by the decision of the colonial government to pass Trade Union Ordinance Act in 1939 which laid down a system for the legal registration of unions (Elufiede, 2010). The Second World War also played important role in the growth of trade union in

Nigeria. The war brought hardship to workers and the general public in the form of acute shortage of essential commodities, rises in prices, and stagnant wages (Otobo 1987:21). These problems pushed many workers into joining trade unions, which were seen as the only forum for improving their economic situation. Against this background, union numbers and membership grew rapidly. For example, the number of unions increased from 14 in 1940 to 109 in 1946, while membership rose from 4,629 to 76,362 (Tokunboh, 1985). Union numbers continued to grow during the post-war period, including the immediate post-independence one (Sonubi, 1973:223). As a result, by the mid-1970s a very fragmented (and conflict ridden) trade union movement had developed that encompassed 1170 unions, which between them shared 881,198 members, and no fewer than five central labour federations (Adefolaju, 2012). In 1975 four of these federations agreed to merge to create a body known as the National Labour Congress (NLC). Following this, in 1978, the NLC was re-constituted to become the only recognised central trade union body as part of a wider, and hostile, governmentally driven re-structuring of the union movement. Another consequence of this was that statutory recognition was only accorded to 70 unions, including 42 industrial ones (Anyim et al, 2013; Elufiede, 2010: 130; Otobo, 2016). Further subsequent restructuring led to the emergence of just 29 industrial unions (Anyim, 2009). Today, the NLC continues to exist as the main central body of the Nigerian trade union movement but exists alongside the smaller Trade Union Congress of Nigeria (TUCN). It currently has 43 affiliated unions and its affiliates, together with those of the TUCN, have a combined membership of 4.5

million, out of a total labour force of around 60 million (Houeland, 2018; https://www.nlcng.org/affiliates). Trade unions in Nigeria, like their counterparts in other countries, negotiate with employers at the enterprise and/or industry levels (Anyim et al, 2013). Throughout their history, however, in seeking to protect and advance the interests of workers, they have also played a significant political role in the country and as consequence exerted an important influence over the country's development (see e.g., Otobo, 2016). This wider political role of unions was apparent from the outset of the union movement. During the 1st World War, for example, the NCSU was used as a platform politically to push for 'war bonuses' to reduce the hardships being experienced during wartime by workers and their families (Agba et al, 2013). The period of the great depression from 1929 meanwhile witnessed agitation for increased wages and the demand for the Africanisation of various posts – a process that also encouraged the emergence of other unions (Adewumi, 1997). In a similar vein, the 1945 general strike culminated, after 45 days, in the granting of a Cost-of-Living Allowance (COLA). (Fajana, 1995:146), while also serving as a catalyst that activated the nationalist struggle for Nigeria's independence (Egbanubi, 2016). Indeed, trade unions have been noted to have played a major role in this struggle, notably via an alliance with the National Council of Nigerian Citizens, one of the organisations in the vanguard of it (Ajayi, 1999).

Political engagement on the part of the union movement has continued to be a central feature of Nigerian politics since the post-1945 and post-independence periods. It played an important role, for example, in

opposing a move to one party rule in 1963 (Aiyede, 2004: 232). More widely, Nwoko (2009) has noted how workers through the NLC have on 15 occasions between 1945 and 2007 engaged in nationwide actions to secure wage improvements and favourable national minimum wage legislature. Moreover, despite the oppressive anti-union measures often introduced during the periods of military rule between January 1966 and September 1979, December 1983 and August 1993, and November 1993 and May 1999, the analysis of Elufiede (2010) has highlighted how pressures and campaigning by the union movement frequently played a crucial role in not only favourably influencing the policies of military governments but also prompting their fall from power. Developments during the subsequent post-1999 civilian governments have in turn borne only further testament to the ongoing political role and influence of the union movement and the NLC more specifically (see e.g., Oyelere and Owoyemi, 2011). The influence of the Nigerian union movement, therefore, extends well beyond its role in collective bargaining. Thus, past and current history serve to demonstrate how it has historically challenged the social and economic policies of successive governments in the name of workers and Nigerian society more generally (Tar,2009) both as a result of the movement's long-proven capacity to call nationwide strikes (see appendix) in opposition to unfavourable government actions and an associated awareness among politicians of the importance of electorally keeping unions on their side (Oyelere and Owoyemi 2011). The battles that the union movement has fought with governments over the role and behavior of foreign multinationals and the continuation of oil subsidies to

citizens both provide good examples of the nature and effectiveness of this wider social role (see e.g., Eweje,2009; Houeland, 2018).

The fact that over the period between 1945 and 2002 the country witnessed has witnessed seven general strikes also does (Otobo, 2016).

More generally, it has been observed in relation to the role of unions that from the mid-1940s they complemented collective bargaining by such forms of direct political action as:

'......*the formation of a labour party, membership of other political parties by top labour leaders, and strategic alliances with factions of the political class or the party. They have also insisted on the establishment of, and representation on, tripartite bodies and boards of parastatals or public utilities, and such ad hoc bodies as minimum wage committees and salaries and wages commissions. Top of their agenda have been their trenchant criticisms of general mismanagement, corruption, and other social ills using all possible media to do so – petitions, leaflets, posters, books, radio and television appearances, news conferences, press releases, strikes, and mass demonstrations*' (Otobo, 2016: 63).

Nwoko (2009: 151) has consequently argued that the role of organised labour in Nigeria has moved from 'trade union activism to political opposition' as it has emerged '*as a credible voice of the masses and a platform for political resistance and agitation*' in a situation where the country has politically lacked credible opposition parties. Unsurprisingly therefore Nigerian unions are seen to have played an important nation building role and thereby exerted an important influence over Nigeria's economic development (Okolie, 2010).

3.7   Summary

This chapter initially reviewed what is known about how human resources are managed within China and by Chinese MNCs operating in Africa. It then moved on to examine the cultural and human resource contexts within which such MNCs operate in Nigeria in order to shed light on the host country factors likely to influence both their HRM policies and practices and the reactions of Nigerian workers to them. The evidence reviewed highlighted the dramatic changes to people management that have occurred in China since the end of the 1970s following the emergence of a market economy. In particular, it was noted how these had involved the end of an 'iron rice bowl' employment system' marked by life-time job security, centralised pay and grading structures and a move towards enterprise-based ones. This shift has, the evidence shows, seen major changes in the areas of recruitment, performance management, rewards, training and development and collective workforce representation. At the same time, they have not, either in SOEs or privately-owned companies, involved the straightforward embrace of western policies and practices. For example, recruitment continues to often be done informally through word-of-mouth and there appears to be a widespread hesitation to invest on staff development because of fears that trained staff will be poached by other employers in an environment marked by talent shortages. Similarly, while western systems of appraisal have been increasingly adopted, these frequently encompass a greater degree of subjectivity and to focus attention on effort and behaviours rather than outcomes. These differences in appraisal (as well as recruitment) can be seen to reflect the more collectivist nature of Chinese society, and more particularly, the familial

and paternalist values associated with Confucianism. They are also reflective of how western HRM practices frequently tend to be adapted to the role played by guanxi in Chinese society, as well as the related importance of protecting personal face, reputation and honour. Relatively little evidence exists regarding how Chinese MNCs approach the management of human resources in their African operations. That which does exist suggests that senior management positions tend to be reserved for Chinese personnel. In addition, while there is evidence of considerable variation in the HRM approaches adopted, it appears that they most commonly involve a combination of paternalist management and the utilisation of low-cost employment strategies encompassing low wages, little investment in staff development, informal recruitment, and the use of casual and unskilled labour. Alongside this, there is some evidence that Chinese MNCs have a poor record of complying with local employment regulations and at times rely heavily on expatriate labour, particularly where local skill shortages are perceived to exist. Even less evidence exists regarding relations between Chinese MNCs and their African workforces. What does exist suggests that tensions do arise due to both the adoption of low-cost employment strategies and cultural-based differences between the work attitudes of local staff and the expectations of Chinese managers. In particular, there is evidence that the latter at times are frustrated and disappointed by the lower priority accorded to work by African staff and their consequent failure to reciprocate managerial paternalism. These findings, however, have been noted to exist alongside domestic cultural values that bear a good deal of similarity to the collectivist and familial

ones found in Chinese society: an overlap that would seem to potentially provide a basis for the creation of collaborative and positive employment relationships. Such a view would in turn seem to receive some reinforcement by the way in which human resource practices in Nigeria overlap with those in China as to the role of informal recruitment, a tendency towards the use (and acceptance) of autocratic decision-making and a cultural resistance to reward based on individual achievement.

CHAPTER FOUR: Research Methodology

'*…methods of social research are closely tied to different visions of how social reality should be studied. Methods are not simply neutral tools: they are linked with the ways in which social scientists envision the connection between different viewpoints about the nature of social reality and how it should be examined*' (Bryman, 2012:19)

'*A theory can be proved by experiment, but no path leads from experiment to the birth of a theory*'- Albert Einstein, The Sunday Times, 18th July 1976.

4.1 Introduction

This chapter details and justifies the study's methodology. It begins by discussing the philosophical assumptions that have informed the methodological approach adopted. Following this, the main options available in terms of research design are outlined and it is explained why a multiple case study one was chosen. Following this, the choice of semi-structured interviews as the main means of primary data collection is justified. The chapter then moves on to detail how these methodological choices were operationalised in terms of the selection of the three-case study organisations (and the challenges surrounding this), the development of the interview schedules used and the conduct of the case studies. Finally, the chapter outlines how the various ethical issues surrounding the study were addressed.

4.2 Philosophical assumptions

Before planning a research, study researchers need to reflect upon the philosophical assumptions regarding the nature of reality, on the one hand, and knowledge, on the other, that are to inform its design and operationalisation (Saunders et al, 2009). In other words, they need to

reflect on their ontological and epistemological assumptions (Bryman, 2008).

Central to ontology is the issue of whether reality is a universally observable phenomenon or whether perceptions of it are relative and subjective and, therefore, socially constructed (Bryman, 2008; Silverman, 2000). In short, ontological debate, at the most fundamental level,

revolves around whether there is one true, universal and observable world that can be objectively and reliable observed and measured. This division is in turn echoed in the central epistemological questions that a researcher needs to consider, namely how do we know what we know, what constitutes acceptable knowledge and good quality data, and what kinds of contribution to knowledge can be made.

These philosophical questions are profoundly important since it is only once a researcher has answered them that they are in a position to appropriately determine their research design, data collection methods and forms of analysis. This is because the questions, in particular, require researchers to decide how far they feel the reality they are interested in exploring can be validly and legitimately understood via the collection of objective measurable facts and hence through positivist methods or whether their exploration requires insights into the subjective opinions, attitudes, perceptions and/or interpretations of research participants (Saunders et al, 2009).

The research literature within the field of international human resource management, as that reviewed in the two preceding chapters amply

demonstrates, is marked by divergent understandings and opinions about the current realities within it and their desirability. Meanwhile, the author's own experiences of working life, and life more generally, lead her similarly to believe that the social world is not marked by common understandings and hence amendable to precise, consistent and reliable measurement. Consequently, on both these grounds, her assumptions are that the social world is a socially constructed one that is marked by multiple realities rather than a singular universal one (Padilla-Diaz,2015). As a result, she further believes that this world cannot be understood without accessing how research participants interpret the world that surrounds them – including any phenomena of research interest. As will be seen, as this chapter unfolds, these assumptions have in turn led the researcher to reject certain methodological options and to embrace others that encompass an epistemological belief in the validity and value of a broadly interpretivist, qualitative, approach to data collection and analysis that is consistent with, and informed by, a socially constructivist ontological position (Silverman, 2000Saunders et al, 2016).

4.3   Research strategy: The Options

A research strategy has been said to show the general broad orientation that is being adopted to address a study's research questions (Robson, 1993). Researchers can, when planning their research, choose from among a variety of possible such strategies. For example, in the 'research onion' developed by Saunders et al (2016:124) these are noted to encompass experiments, surveys, case studies, action research, grounded theory, ethnography and archival research. Figure 4.3 below shows Research

'onion' adapted from Saunders et al, 2016.

Figure. 4.3 showing the different layers of Research strategy
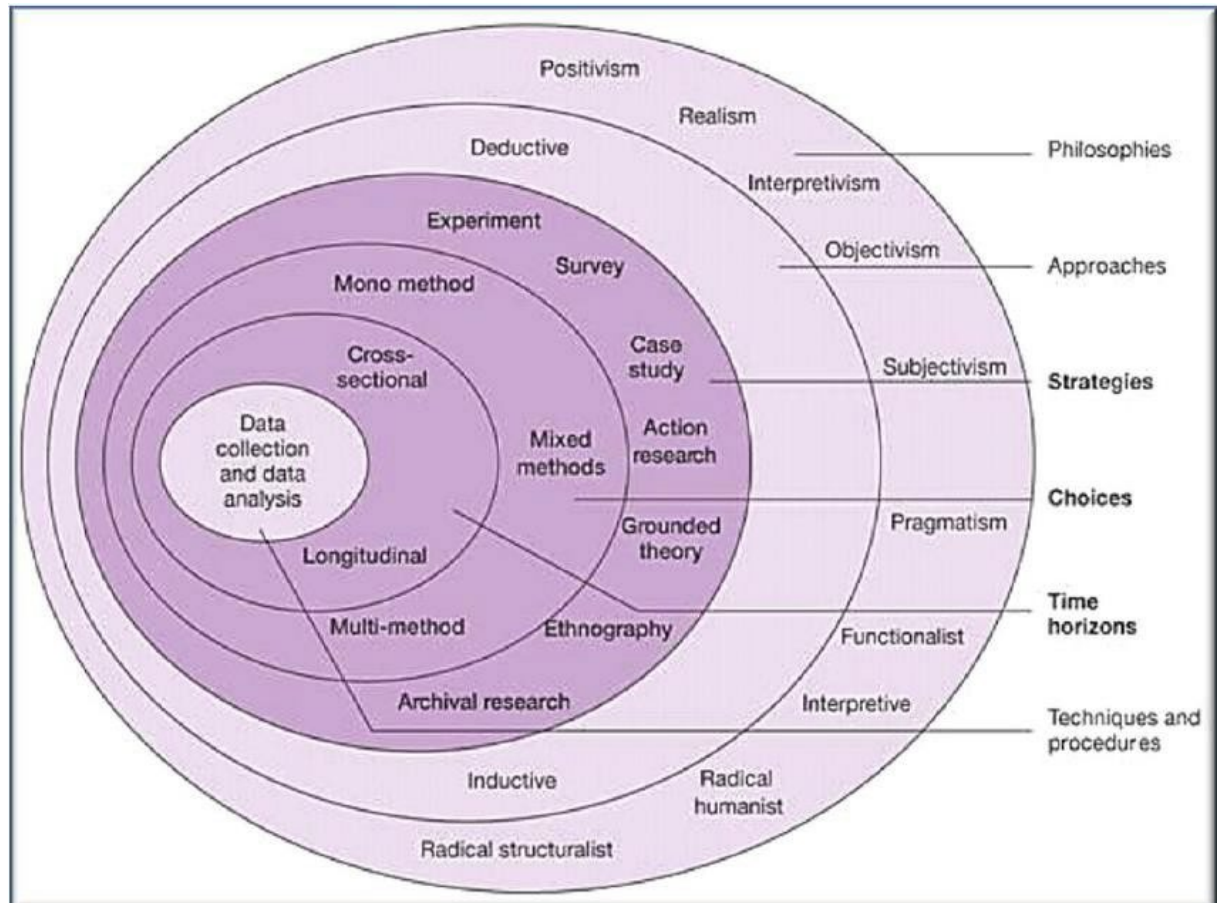
Amongst these strategies, Robson (1993) has argued that the three major ones are experiments, surveys and case studies. Each of these have associated potential advantages and disadvantages.

Experiment

Experiments typically take place in laboratory settings. Their purpose is to test causal relationships, that is whether and to what extent particular outcomes are the product of particular causes. Central to the experimental approach therefore is the investigation of associations between independent and dependent variables (Cresswell, 1994). In order to

generate valid and reliable results such investigations involve studying how planned changes in one or more variables affect the specified dependent ones. This in turn means that they are focussed on testing causal hypotheses in a context where other possible extraneous variables can be controlled.

It follows that experiments have a capacity to produce strong inferences about cause and effects, the reliability and validity of which can be tested through the undertaking of replication studies leading to high degree of replicability (reliability) and validity. At the same time, their central features render them impractical in much social science research. For example, it is generally not possible to identify and control all extraneous variables. It is often difficult to obtain a matching control group or to randomly sample human subjects. And it is frequently not possible to generate repeated measures for the same group, thereby undermining the capacity to generate generalisable findings.

Surveys

Surveys involve the generation of data from defined populations through interviews or self- administered questionnaire (Denzin, 1989). They typically involve the defining of a target sample of people from a defined population, and the asking of questions in a standardised format, either through questionnaires or structured interviews, with the intention of obtaining findings that can be generalised to the whole population from which the (representative) sample has been drawn (Creswell, 1994).

Because of these features, surveys can be economic to conduct, can produce

representative and reliable descriptive statistics, and be used to statistically explore and highlight potential causal relationships. More narrowly, in the field of social science research they can be productively used to study attitudes, values and motivations, either on a longitudinal or cross-sectional basis (De Vaus, 1996). While survey findings can be subjected to detailed statistical analysis, resulting correlations do not establish causal relationships between variables. Linked to this, their explanatory capacity is limited. For example, May (1997) observed that although survey findings can descriptively provide insights into values and behaviours, and how they change over time, they cannot provide an understanding of the process by which people come to adopt particular values or behaviours. In addition, attention has been drawn to their general inability to control all possible extraneous variables (Gill and Johnson, 1997).

Case studies

A case study has been described as a 'strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidences over a period of time' (Robson, 2002:178). The nature of the phenomenon concerned can vary widely (Yin, 2009, Neuman, 2011). In the context of business research, for example, Saunders et al (2016) have noted that a case study can focus on a person like manager, a group, such as a work team, an organisation, an association (e.g., a joint venture), a change process, like a corporate restructuring, or an event like an annual general meeting.

Yin has argued that a case study strategy is typically utilised where the boundaries between phenomenon and context are unclear. In line with this, such studies facilitate the in-depth investigation of a situation in a single case, or a small number of related cases, to unravel evidences ((Benbasat et al., 1987; Eisenhardt, 1989; Anderson, 2013). They also generally involve the collection of information via a range of data collection techniques including observation, interviews, and historical and documentary analysis (Robson, 1993, Farquhar, 2012). Hence Yin's observation that case studies tend to use multiple sources of evidence.

Data collection and analysis within case studies are geared, according to Bryman (2013: 22), towards the illumination or resolution of research questions (Bryman, 2013:22). A strength of them is that it is an approach that can be used to uncover meanings (Smirch, 1983; Martin, 1992; Schein, 1996), compare differences in the experiences and perceptions of different types of participants, for example employers and employees (Bryman, 2013) and investigate the interaction of different factors and events that contribute to the focus of the enquiry (Anderson, 2013; 63). Because of their intensive nature, case studies can therefore more widely enhance the researcher's sensitivity to factors that lie behind the operation of observed patterns within a specific context (Yin, 2014), and provide a means of understanding causality (Bryman, 2012). Meanwhile, the use of multiple methods of data collection can contribute to a high degree of validity. Critics of the case study method, however, have argued that it is 'essentially intuitive, primitive and unmanageable' (Miles, 1979). There is also the risk of respondent or researcher bias colouring the findings obtained, given the

roles played by qualitative types of data and interpretation on the part of those collecting them. Case studies are also relatively time consuming and it is commonly argued that is not possible to generalise on the basis of them.

4.4 Choice of strategy

Yin has argued that three main considerations are central to the choice of research strategy. First, the type of research question being asked. Secondly, the degree of control over the phenomena to be investigated. Thirdly, whether the focus of attention is on contemporary issues or ones that have happened in the past. As a result, as demonstrated by the table below, he argues that the attractiveness of different methods varies according to these considerations.

Table 4:4:   Relevance of different strategies

Strategy	Form of research questions	Requires control over behavioural events	Focuses on contemporary issues?
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how, many, how much	No	Yes
Archival analysis	Who, what, where how many, how much	No	Yes/ no
History	How, why	No	No
Case study	How, why	No	Yes

Source: Yin,1994:6

As already noted, the central purpose of this thesis is to contribute towards addressing the lack of attention to how MNCs headquartered in

developing countries manage human resources in subsidiaries that are also located in such countries by shedding light on:

d) The human resource strategies and policies utilised by Chinese MNCs in their Nigerian subsidiaries

e) How far these policies and practices appear reflective of local and wider corporate influences; and

f) Local workforce responses to those policies and strategies and the factors influencing them.

This overall aim and its supporting objectives, when considered in conjunction with the above framework of analysis provided by Yin, pointed to the adoption of a case study approach, rather than an experimental or survey based one. This was for both positive and negative reasons.

On the negative side, experiments were excluded on the grounds that it was not viable to draw a distinction between experimental and control groups, the researcher would not have the required control over events of interest and potentially influencing variables were high in number and not capable of exclusion. Similarly, a survey approach was deemed inappropriate because: it would not enable in-depth insights to be gained into relevant management actions; it was not possible to identify all potential explanatory variables in advance; many of the potentially influential factors were not felt to lend themselves to quantitative measurement; and, more generally, a survey approach was considered unsuitable given the study's exploratory nature and the 'why' dimension encompassed by its supporting objectives.

More positively, a case study strategy was felt to be supportive of the achievement of these objectives and the study's overall aim. This was for the following, somewhat overlapping, reasons: it provides an approach that was capable of generating data on both the phenomenon of interest and their surrounding contexts, in the context of a study marked by 'how' and 'why' questions about contemporary events, it was seen to have the capacity to identify relevant causal explanations; and it constitutes an approach which does not require the ability of the researcher to manipulate variables and control events.

It was further concluded that a multiple rather than single case study approach should be adopted. This decision again reflected a combination of negative and positive reasons. In the case of the former, the study was not considered to be marked by the three factors that Yin (1994) has argued can provide a rationale for undertaking a single case, namely that the case represents a critical test of existing theory; it relates to a unique or rare event; or it 'represents a revelatory purpose'. On the positive side, a multiple case study approach has virtues in addition to the more general ability of case studies to generate insights from intensive and in- depth research that can involve both quantitative and qualitative elements and the use of mixed methods (Saunders et al, 2016). For example, it is seen to enhance generalisability (external validity), deepen understanding and explanations, and help guard against observers' biases. The systematic comparison of organisations has meanwhile been noted by Jankowicz (2000) to support a logic of replication. Thus, if there are cross-organisational similarities in results, it means replication has occurred and

the results might be accepted for a much larger number of similar cases (Yin, 1994: 45). Yin (1993) has, in fact, distinguished between literal and theoretical replication. The former refers to obtaining similar results from all cases while the latter occurs when contrasting results are obtained but for predictable reasons.

Another advantage of the multiple case design is that it can be used to deepen understanding and explanation since by comparing different sites the researcher can have the opportunity to find out the specific conditions under which a finding can occur and also to potentially form more general categories of how those conditions may be related. In addition, multiple case examining similarities and differences across cases (Miles and Huberman, 1994). These strengths of multiple case studies, in turn lead on to a further advantage. This is that the approach can produce findings that are likely to be more compelling because the replication of results may lead to greater confidence in the robustness and rigour of the whole study (Yin, 1993).

4.5   Data collection methods

In common with the case study approach more generally, it was decided that multiple sources of evidence would be drawn upon (Yin, 1994; Mintzberg and McHugh, 1985) but that the main research tool would be in-depth semi-structured interviews (Robson, 1993, Tull and Hawkins, 1993). At the general level, the priority accorded to such interviews reflected the observation of Saunders et al (2009) that the complexity of the social world of business cannot be framed into definite theories and laws as is obtainable in the sciences and hence cannot be adequately understood

through positivist quantitative analysis. At a more specific level, it reflected the need to obtain data that would enable the study's objectives to be adequately pursued.

As a qualitative form of data collection, semi-structured interviews have the virtues that are attributed to such forms of data more generally. Most notably, they can provide data that can help understand not only the nature of relationships but the 'why' that underlies them. As a result, such interviews were seen to provide a method of data collection that was capable of supporting a study that not only wanted to identify the types of human resource strategies and policies utilised by Chinese MNCs in their Nigerian subsidiaries and how local workers were responding to them, but also the factors that were influencing the adoption of these strategies and policies and workers responses. Furthermore, this view was lent support by the fact that prior researchers had drawn attention to how in-depth interviews do provide an effective means for understanding the processes of influence underlying headquarters-subsidiary relationships, as well as those arising from the home and host environments confronting MNCs (see e.g., Hedlund, 1981; Ferner and Quintanilla, 1998). It was also felt that while providing a means of gathering reasonably consistent information from different case organisations, they had the flexibility to enable the interviewer to clarify the meanings of responses, ask for elaborations of them and ask supplementary follow-up questions that appeared to be relevant.

These virtues of semi-structured interviews were further strengthened by the inappropriateness of the other alternative data collection tactics, such as

participant observation (Whyte, 1981; Gill and Johnson, 1997) and mail questionnaires (May,1997; Bryman, 1989). For example, participant observation depends on the possession of relevant skills and requires special access permission that was unlikely to be obtainable. It also requires that the researcher spends quite a long time in the organisation, which is quite difficult when the researcher is based in another country. Meanwhile, mail questionnaires would preclude the gathering of the types of insights outlined above that can be obtained through more qualitative approaches and, more particularly, semi-structured interviews.

For all these reasons semi-structured interviews were seen to be preferable to both structured and unstructured ones. It was nevertheless recognised that the use of such interviews on their own would be insufficient. From the outset it was therefore decided that their use would be supplemented by the collection of secondary documentation in the form of, for example, annual reports, in-house documentary evidence, organisational charts, newspaper and journal articles, and company websites. Such documentation was considered to provide a valuable means of cross-checking and supplementing information obtained through the interviews (Yin, 1998: 246), particularly in the face of potential communication problems with Chinese interviewees. It also was seen to potentially act to identify new lines of enquiry that could be pursued through the interviews themselves. More widely, therefore, such documentation was considered to provide a degree of data triangulation and in this way potentially contribute to the enhancement of the and reliability of the study's findings (Denzin, 1989).

4.6   Operationalisation of the research strategy and design

In what follows, information is provided on how the study's research strategy and data collection methods were put into operation. First, attention is paid to the adopted process of case selection.

Selection of Cases

The selection of cases was informed by three basic criteria. First, the Nigerian companies had to be owned by a Chinese multinational, whether an SOE or a private enterprise. Secondly, the subsidiaries concerned had to employ Nigerian workers, ideally from a variety of tribes, religion and socio-cultural backgrounds. Thirdly, they had to be located in major Nigerian cities to facilitate researcher access to key employees and company materials during multiple visits. Fourthly, the subsidiaries had to be based in parts of the country that were not the subject of internal conflict.

Access to the companies was initially sought through my own Nigerian contacts, mainly friends and family, and those of my original Director of Studies, who had connections with some academics in Nigeria and Senegal and the Chinese Embassy in Nigeria. Particularly helpful was my attendance at the 2012 and 2013 conferences of a South Africa forum of researchers who were engaged on a 'China in Africa project from an HRM perspective' that facilitated letters of support to the Chinese embassy in South Africa and subsequently Nigeria concerning the granting of access to Nigerian subsidiaries of Chinese companies. In particular, through these means, contact was established with the personal assistant of the Chinese

Ambassador in Nigeria. These contacts were necessary to gain trust and explain the objectives of the research.

Overall, via these various means, cooperation was formally sought from seven Chinese organisations. Responses were obtained from five of these, notwithstanding the general difficulty that contacts suggested surrounded accessing Chinese organisations in the country. Two of these companies were, however, subsequently excluded for the reasons detailed below.

Jostone: The Company is a manufacturer of tiles and sanitary equipment and is situated in the Northwest of Nigeria, where access to raw materials such as limestone is high. It has over 1,000 employees of both Chinese origin and local Nigerians. When the initial contact was made to seven Chinese organisations, Jostone responded through their HR contact that they were willing to take part, but the company was inaccessible based on location. In addition, unconfirmed reports suggested that most of its staffs were Chinese who had smuggled themselves into Nigeria with no papers to work, and that the company had connections to a local terrorist group. Jostone was one of the five organisations that gave consent for data collection, but no data was collected from the company eventually.

SIOL: A multinational petroleum and chemical corporation with over 200,000 employers, this company initially agreed to cooperate in the research. Indeed, two interviews were conducted with the Chinese Deputy Chief Operating Officer and the Nigerian Head of Human Resources and Administration. Subsequent attempts to organise interviews, however, proved problematic, with scheduled meetings being cancelled and proving impossible to re-organise. With regret, it was therefore decided to exclude

SIOL from the study.

From the seven companies initially contacted, three therefore were the subject of the detailed case study research reported in this thesis, namely AAA Services, BBB Construction, and CCC Manufacturing. Brief information on each of these is provided below by way of introduction. Further, more comprehensive information on them is provided later in the detailed case study chapters.

AAA Services a privately-owned Chinese telecommunication company. Established in late the late 80s, by 2015 it had become a global company with a presence across the world. Despite producing and importing its products into the Nigerian market from 2003, the company was only fully legalised to operate its services in 2005. By 2010, the company had become the service provider of choice for all the big telecommunication companies in Nigeria and neighbouring West Africa countries, such as Togo and Sierra Leone.

BBB Construction was established in China in the late 70s as part of a conglomerate of construction, oil and services companies. The wider conglomerate expanded rapidly, undertaking activities in civil engineering design and consultancy, real estate development, trading, industrial investment and hotel management. The company started operations in Nigeria in Like many other state-owned Chinese enterprises, the company's entry into Nigeria was paved by a programme of mutual collaboration established between the two governments. In the case of BBB, the collaboration was built and nurtured during the military regime. Since then, the company's activities in Nigeria have expanded

considerably.

CCC Manufacturing specializes in the production of a vast range of plastic goods. It is currently run by the two sons of the company's founder. Today its operations have expanded to encompass subsidiaries in Europe, Latin America and Africa. The company's involvement in Nigeria began when it was approached by an indigenous Nigeria company to supply raw materials for plastic production. This venture did not work but the company subsequently decided to partner with the ruling military regime to establish a subsidiary in Nigeria.

4.7   Interview Schedules

From the outset it was considered necessary in each case study to interview both Chinese Expatriates and local Nigerian workers, and both managerial and non-managerial personnel. Expatriates were considered more likely to be conversant with the relationships existing between the subsidiary and the parent company's headquarters, while interviews with managers more generally were needed to gain a sound understanding of the human resource policies and practices that were being used locally. Meanwhile, interviews with non-managerial Nigerian staff were required in order to both gain an understanding of local workers experiences and perceptions of these policies and practices, and the factors that were shaping them.

Two different interview schedules were therefore developed, one focussed on expatriates and managers, and the other on local non-managerial staff. The first part of both contained some general questions about the respondents. The purpose of these was to gather information on such

matters as their nationality, ethnicity, position and grade, and, in the case of expatriates, how long they had been working in the Nigerian subsidiary and their previous roles.

The second part of the schedule for expatriates and managers initially focussed on obtaining background information on the subsidiary and the parent company with the aim of gaining an understanding of the organisation's vision, mission, location, size and business strategy, as well as the structure of the wider company, the nature of the parent–subsidiary relationship, including processes of decision-making and communication, the extent of the subsidiary dependence on the parent company, and methods of control and coordination. It then went on to focus on issues relating to the management of human resources in the subsidiary. Here information was sought on the following:

- Size, structure and role of the human resource department.
- Relationship of the department to the parent company human resource function and other departments.
- Policies and practices relating to:
  - o Managerial decision-making processes.
  - o Recruitment and selection.
  - o Training and development.
  - o Rewards.
  - o Performance management.
  - o Consultation and union recognition

In exploring these last issues respondents were questioned about the factors influencing the nature and operation of the policies and practices

concerned. In particular, information was sought about the way in which they were influenced by home and host country variables, such as the way in which human resources were managed in China by the parent company, and features of the local political, regulatory and cultural environments, as well as Western based notions of 'best practice'.

The second part of the schedule aimed at local Nigerian staff focussed attention on gaining an understanding of their experiences of, and responses to, the human resource policies and practices of their employing organisation, and the factors shaping them. In this regard, the schedule provided those interviewed with an opportunity to make observations regarding each of the above listed human resource issues. In addition, the interviews were further used to gain an understanding of the inter-personal relationships that the local staff had with Chinese expatriates and the factors, cultural and otherwise, influencing them.

4.7.1 Conduct of Case Study

The three case studies were conducted between 2011 and 2014. Barring a little overlap, they were done sequentially, starting with AAA services and then progressing in turn to BBB Construction and CCC Manufacturing.

In all, 19 staff were interviewed in AAA Services. The roles of those interviewed are detailed in Table 4.7.1A below. Of those interviewed, eight were Chinese managers and the remaining 11 were Nigerian member of staff.

Table 4.7.1A: Interviewees in AAA Services

Position	Nationality
Chief Operating Officer	Chinese
Director of HR & P	Chinese
Chief Engineer	Nigerian
Operations Manager	Chinese
Finance Director	Chinese
Training Manager	Chinese
Company Lawyer	Nigerian
Logistic Officer	Nigerian
Junior Analyst	Nigerian
HR Advisor (Welfare)	Nigerian
Marketer of the Year	Nigerian
Admin Clerk	Nigerian
PA to COO	Chinese
Customer Service Officer (CSO)	Nigerian
Head of Security	Chinese
Deputy Head of Control	Nigerian
Technical Director (Head of IT)	Chinese
Deputy Legal Manager	Nigerian
Sales Executive	Nigerian

Thirteen interviews were conducted in BBB Construction. Details of those interviewed are provided in Table 4.7.1B below. As can be seen, five of those interviewed were Chinese managers. The remaining eight interviews were conducted with Nigerian personnel.

Table 4.7.1B: Interviewees in BBB Construction

Position	Nationality
Deputy Chief Operating Officer	Chinese
Head of HR	Nigerian
Senior Engineer	Nigerian
Construction worker (casual)	Nigerian
Snr. Construction worker	Chinese
Construction worker	Nigerian
Legal Adviser	Nigerian
Site Engineer	Chinese
Construction worker	Nigerian
Purchasing Manager	Chinese
Driver/Construction casual	Nigerian
Training Supervisor	Nigerian
HR Divisional Head	Chinese

As regards CCC manufacturing, a total of 11 interviews were carried out in the company as shown in Table 4.7.1C below. Of those interviewed, six

109

were Chinese members of management and five were Nigerian members

of staff.

Table 4.7.1C: Interviewees in CCC Manufacturing

Position	Nationality
Chief Operating Officer	Chinese
Head of HR and Admin	Chinese
Shift Engineer	Nigerian
Operations Manager	Chinese
Finance Manager	Chinese
Assistant Training Manager	Nigerian
Logistic Officer	Nigerian
Plastic Moulder	Chinese
Head Compliance	Nigerian
Sales Manager	Nigerian
Site Engineer	Chinese

Table 4.7.1D below provides a full list of those interviewed across the three-

case study organisations. In doing so, it also provides additional

information on them with regard to their gender, qualifications and years

of experience in the Nigerian subsidiary.

Table 4.7.1D Summary of Interview Respondents: AAA, BBB and CCC

No experience	AAA/ Position	Gender	Qualification	Years of in company/ Nigeria	Nationality
1	Chief Operating Officer	Male	PhD (Electrical Engineering)	18 /7	Chinese
2	Director HR and Procurement	Male	BA, MA	12 /8	Chinese
3	Chief Engineer	Male	BSc, MSc	14/6	Nigerian
4	Operations Manager	Male	BSc, MSc	13/7	Chinese
5	Finance Director	Male	BSc, MBA, Chartered Accountant	16/7	Chinese
6	Training Manager	Male	BSc, MA	13/7	Chinese
7	Company Lawyer	Male	LLB, MBA	6/6	Nigerian
8	Logistic Officer	Male	BA	8/8	Nigerian
9	Junior Analyst	Female	HND, MBA	5/5	Nigerian
10	HR Advisor (Welfare)	Female	BA	4/4	Nigerian
11	Marketer of the Year	Male	BA, MA	6/6	Nigerian
12	Admin Clerk	Female	OND	3/3	Nigerian
13	Personal Assistant to CEO	Male	BSc	12/7	Chinese
14	Customer Service Officer (CSO)	Female	BA, Dip (Education)	7/7	Nigerian
15	Head of Security	Male	HND	10/6	Chinese
16	Deputy Head of Control	Male	BSc	6/6	Nigerian
17	Technical Director	Male	BSc, MSc	15/6	Chinese
18	Deputy Legal Manager	Male	LLB	5/5	Nigerian
19	Sales Executive	Male	BSc	3/3	Nigerian

No	BBB/ Position	Gender	Qualification	Years of experience in Nigeria	Nationality
1	Dep. Chief Operating Officer	Male	MSc, BSc	24 /9	Chinese
2	Head of HR	Female	BA, MBA	8/8	Nigerian
3	Senior Engineer	Male	BSc, MSc	14/6	Nigerian
4	Casual Construction worker	Male	HND	13/13	Nigerian
5	Construction Worker	Male	BSc	16/9	Chinese
6	Construction worker	Male	B. Ins	7/7	Nigerian
7	Legal Adviser	Male	LLB,	12/11	Nigerian
8	Site Engineer	Male	B. Tech, MSc	14/6	Chinese
9	Casual Construction Worker	Male	OND	4/4	Nigerian
10	Purchasing Manager	Male	B.CCA	20/11	Chinese
11	Driver /Construction worker	Male	B. Tech	16/5	Nigerian
12	Training Supervisor	Male	BSc, MBA	16/16	Nigerian
13	Divisional Head	Male	B. Tech	14/4	Chinese

	CCC/Position	Gender	Qualification	Years of Experience in Company/Nigeria	Nationality
1	Chief Operating Officer	Male	MSc	28/20	Chinese
2	Head of HR & Admin	Male	BA, MA	12 /8	Chinese
3	Shift Engineer	Male	BSc, MSc	14/6	Nigerian
4	Operations Manager	Male	BSc, MSc	13/7	Chinese
5	Finance Manager	Male	M.Sc.	16/7	Chinese
6	Asst.Training Manager	Male	BSc, MA	13/7	Nigerian
7	Logistic Officer	Male	BA	8/8	Nigerian
8	Plastic Moulder	Male	HND, MBA	25/15	Chinese
9	Head Compliance	Male	BA, MA	14/14	Nigerian
10	Sales Manager	Male	BSc, MSc	26/14	Nigerian
11	Site Engineer	Male	B.Sc.	28/15	Chinese

In combination, the three case studies therefore encompassed interviews with a total of 43 people. Of these, 19 respondents were members of the Chinese management teams, the remainder (24) were Nigerians occupying a combination of managerial and non-managerial roles.

The interviews conducted confirmed the wisdom of choosing to rely primarily on data collection via semi-structured interviews. At a very practical level, they facilitated data collection in contexts where it was difficult to obtain cooperation from potential respondents during working

time since the interviews could be conducted during lunch breaks and after work. More importantly they enabled issues covered in the interview schedule to be discussed in a flexible and iterative way. As a result, they allowed those interviewed to raise relevant issues of importance to them and that, perhaps, had not been anticipated to be of significance, and further facilitated the body language and emotions of those interviewed to be captured.

Separately from the semi-structured in-depth interviews, as originally planned, additional data were collected from company websites and annual reports, newspapers, employee handbooks and other published materials relating to the case study organisations. Such sources of information were valuable in themselves. Used in conjunction with interview data, they also provided a valuable means of triangulation.

4.7.2 Data analysis

The 43 interviews conducted were transcribed verbatim. The approach to analysis of these data was to first undertake three within-case analyses. Subsequently, cross-case analysis was undertaken to identify similarities and differences in the findings obtained from the three-case study organisations (Yin, 2009; Bryman, 2013).

The above analyses were undertaken using thematic analysis because of its flexibility (Taylor and Ussher, 2001; Braun and Clarke, 2006) and the scope it offered to allow the data to be analysed in a way that captured respondents' voices (Saunders et al, 2012). The process of analysis was recursive rather than linear, allowing me to go back and forwards over the

data (Ely et al, 1997).

The analysis commenced with a set of initial themes based on the above topic list. These were subsequently added to as new themes meriting exploration arose during the analysis. During the first stage of analysis key findings relating to each theme were diagrammatically mapped on a case-by-case basis.

Research ethics

Approval for this research was obtained from the ethics committee of Middlesex University. Issues of respondents' confidentiality and consent were addressed during this approval process. During the fieldwork it was therefore made clear to participants that their participation was voluntary and that they had a right to withdraw from the research at any point. They were further assured that what they said would be treated confidentially and that transcripts would be securely stored.

Once access was given, the necessary paperwork detailing the ethical approval were presented to participants. This included a participant information sheet detailing the aim and objectives of the study, the nature and process of data collection, and the right of withdrawal mentioned above. This allowed participants to understand enough about the study to make an informed decision about whether to take part (Bryman and Bell, 2015:139). Where agreement to participate was obtained, this was formally recorded by the individual signing a consent form. At the end of interviews, it was further made clear that the interviewee had a right to review the interview transcript before data analysis. To support this, contact details

(emails) were exchanged.

Interviews were done at the convenience of respondents. In some cases, they took place in the workplace of the respondent, either during working hours or at lunchtime. In others, as with some Chinese managers, interviews took place outside working time and away from the workplace. Numerous challenges were encountered in the course of collecting data which have potential lessons for other researchers undertaking fieldwork in African and Chinese contexts.

It was often very difficult interviewing the Chinese employees, especially in relation to human resource issues. There clearly often existed a lack of trust based on a belief that I had come to spy on the subsidiary to report back to the Nigeria government. Later, and after my real intentions were noted, they still often appeared concerned about the possibility that the whole world would 'hear about their activities'. My ability to remain neutral yet committed therefore was vital in order to win their co-operation. Another area of challenge was that of communication, which eventually formed an important theme in my findings. Despite the academic suggestion that China and Nigeria are similar culturally and developmentally, the reality dawned on me that I have to play the 'cultural game'. As a Nigerian and an African I found myself having to transcend two cultures of work and society, I had to classify Chinese as 'work' and local Nigeria workers as 'society'. The local Nigeria workers for their part kept demanding a bribe and other privileges to grant me interviews as I was always coming from 'obodo Oyinbo', I was expected to 'drop something' meaning give a bribe. Again, the female element experience

was glaring and cut across the Chinese and Nigerians, both of whom often appeared to hold low opinion of women and their abilities. Again, my perseverance and commitment were needed to overcome these challenges. At the same time, it has to also be said that the local workforce, and especially the junior workers, often provided much succour as they were, ultimately, generally highly informative and supportive.

CHAPTER FIVE: AAA Service Company

5.1   Introduction

The objective of this chapter is to give an account of the first case study, a service organisation referred to here as AAA. First, background information is provided on the Chinese parent organisation and its Nigerian subsidiary. Details are then provided on the subsidiary's human resource function and its relationship to the parent organisation's ones. Following this, attention is paid to the nature of the Nigerian subsidiary's HRM, focusing in turn on the issues of recruitment and selection, performance appraisal, training and development, rewards, communication and worker voice, as well as staff perceptions of these arrangements, and the factors that have acted to shape them.

5.2   The parent company and its Nigerian subsidiary

AAA is a privately-owned Chinese telecommunication company. Established in 1987, by 2015 it had become a global company with a presence across the world. Despite producing and importing its products into the Nigerian market from 2003, the company was only fully legalised to operate its services in 2005. By 2010, the company had become the service provider of choice for all the big telecommunication companies in Nigeria and neighbouring West Africa countries, such as Togo and Sierra Leone.

Almost all of the components in the products sold by the Nigerian subsidiary are manufactured in China. The subsidiary's role is therefore to assemble the products and then market and sell them, both within and outside of Nigeria. Apart from telecommunication cables and fibers, the

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company provides phones, mobile broadband, and watches, personal computers and tablets for individuals and companies. The subsidiary's headquarters is based in Lagos. Assembly work is also undertaken at this location, as well as at two smaller ones based in Abuja and Kano. It appeared that past and current political considerations exerted an influence, albeit a rather negative one, over the decision to set up operations in these locations. The Igbos who are found in the Eastern part of Nigeria have been advocating for their own nation for many years. The Biafra war that was pursued to achieve this objective over the period 6 Jul 1967 – 15 Jan 1970 met with defeat. A key factor in this outcome was how the Nigerian government received support from China in the face of Taiwan's sympathy for the cause of the Igbos. AAA has consequently, against this background, refused all negotiations to set up a branch in the Eastern part of the country, with the Chinese expatriate and HR Training manager observing:

'*Moving our service to the Eastern part of Nigeria is however unlikely as there are still age long resentments … dating back to the Civil war in Nigeria'.*

5.3   AAA Organisational structure and control

The subsidiary's structure is detailed below and can be seen to replicate that which exists in China, with the exception of an 'Independent Body' which is an arm of the Federal Government of Nigeria that is required to regulate the board meetings of multinational organisations.

Figure 5.3   AAA Organisational Structure and Control
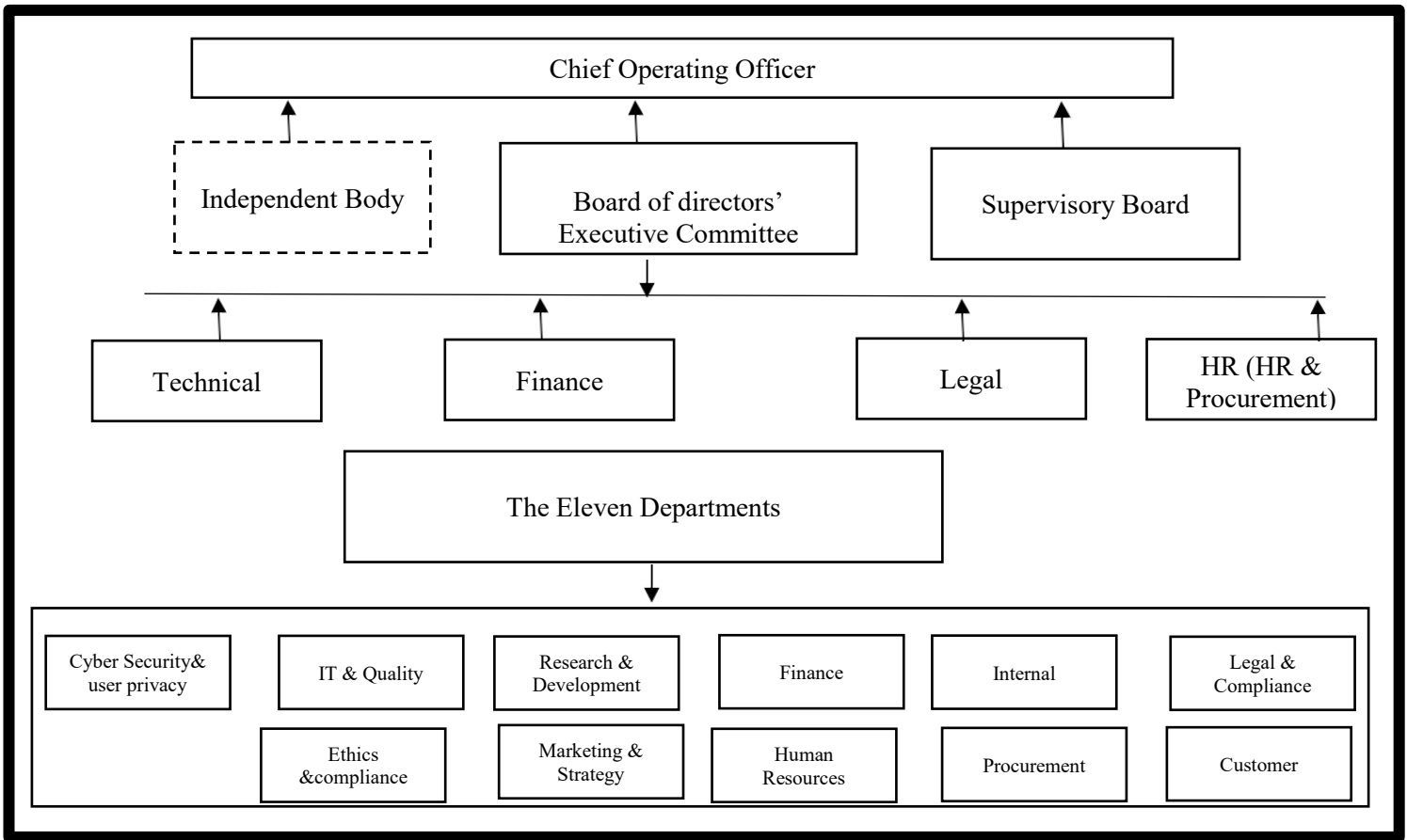
The Independent Body is made up of representatives of the military men that assisted AAAs entry into Nigeria. The COO meets regularly with its members and hence it can influence company strategies and forms part of the decision-making structure of the subsidiary.

Internally, the company is structured into four groups or divisions, namely Technical, Finance, Legal and HR (The HR group is actually call HR and Procurement). The four groups have eleven departments operating under them. The Technical group has the Cyber Security and user privacy, Information Technology (IT) and Quality, and Research and Development departments all reporting to its Group Head. The second division is Finance, and it has the Finance and Internal Audit departments reporting

to the group. The third division is the Legal department, and it has the Legal and compliance, Ethics and Compliance and Marketing and Strategy departments operating within it. The last group is the HR and Procurement group, and the group head has the HR, Procurement and Customer Services departments reporting to them. The subsidiary's Chief Operating Officer (COO) is Chinese, as are nearly all other managers, including the Deputy COO, Heads of department (HoD), Deputy HoDs, General Managers (GM), Deputy GMs, and Assistant GMs.

The external Director mentioned earlier as part of the supervisory team and by reason of government requirements regarding board composition within foreign companies. This director in reality represents the interest of the military men that brought AAA into Nigeria While this director does attend some board meetings, there is always a meeting preceding this actual meeting that he does not attend. In relation to this situation, one interviewee, a Nigerian manager, for example, observed that:

'……the company has witnessed transformation in terms of staffing, but the key positions are still reserved for expatriates and it does not matter what your experiences are sometimes'.

This situation exists despite the fact that the law provides for up to 50% representation of Nigerians on the boards of foreign companies. To address this issue AAA has therefore designated most Chinese Directors as GMs.

Most of the graduate Chinese staff in the subsidiary, including those occupying senior management positions, joined the company after studying at the two preferred universities in China that provide the

company with a pool of potential recruits and to which staff return to acquire more skills and education, as demonstrated by the COO and other key staff. One of these universities is located in the home village of the company's founder and those recruited from it are seen to form an in-group, members of which are sent to occupy important positions in overseas subsidiaries.

The parent company's preference for centralised decision-making and using in-group expatriates, albeit within the context of some local adaptability, was reiterated by a senior Nigerian manager, when asked directly how decision making is done, both in China and Nigeria:

'*The HQ coordinates the central affair of AAA for easy flow and understanding, you cannot beat a winning team and a successful leadership culture……Our core strategy is an overall excellent and sustainable management system……. This I believe is a global approach despite criticism and obvious attachment to headquarters policy. Specifically, the organisation requires subsidiaries across different borders to comply with parent company policies, which need to remain the same……*'.

5.4   The Nature and Process of HRM

This section initially presents the structure and nature of the HRM function in the Nigerian subsidiary. Attention is then paid to the arrangements in place in relation to recruitment and selection, performance appraisal, training and development, reward, and communication and worker voice, along with some of the key factors that have influenced them.

The corporate headquarters of AAA Nigeria in Lagos has a fully functional HR department that, as already mentioned, is located in a wider HR and Procurement department. The company's two other branches in Abuja and

Kano also have supporting HR units. 38 staff are employed in the

department, 25 in Lagos, nine in Abuja and four in Kano. The Head of HR

is a top manager and a Nigerian and reports to a Director who is in overall

charge of the three constituent parts of the wider department, namely,

Administration, HR and Procurement, and occupies the role of Director of

Personnel and Procurement. He in turn reports to the Chinese COO (Chief

Executive Officer) in Nigeria. The Nigerian senior managers responsible

for training and development (T&D), recruitment and salaries report to the

head of HR.

The procurement arm of the company is not a purchasing department but

one that allocates product sales to staff (see further below) and updates the

HR unit as to how many products each member of staff sells. The head of

the sub-section it could be argued should therefore report to the head of HR

like the three managers just mentioned, particularly given that this is the

situation in China. However, as a Chinese expatriate who had been

promoted to AGM, he in fact reported to the head of the overall department.

This was officially attributed to issues related to ease of communication

and accountability, but some local employees saw it as another illustration

of domination by the Chinese expatriates.

The department has more of an operational than strategic role since many

of the subsidiary's human resource policies are to a large extent centrally

determined by the parent company, as the following quote from the

Chinese Head of HR and Procurement illustrates:

'*I have been part of our HR development from the onset and the*

organisation has standardised the HR unit especially in terms of recruitment and reward system……Specifically, the organisation requires subsidiaries across different borders to comply with parent company policies, which need to remain the same……'.

At the same time, it was apparent, as will be seen more clearly below in relation to the management of particular human resource issues, that the subsidiary did have some scope to adjust central policies to accommodate local circumstances. For example, the same manager observed:

'Our HR policy and practices are streamlined along business lines. They may have been adopted along with our culture (guanxi) but we take into consideration cultural and national differences operative in the company. When necessary [the company] is flexible, so we can reflect and adjust our strategy to promote a harmonious business ecosystem, ensure the sustainable development of the company and provide benefits to our customers and society'.

And he similarly observed: *'We cannot say we are like Headquarter in terms of our practices in Nigeria and we do not want to distant ourselves from them. In order for us to decide on what is right or wrong we (Chinese in-group executives) have to discuss, deliberate and deduce to make decisions.'*

It was further apparent that the management of human resources in the subsidiary was conducted on a relatively centralised basis. In particular, it was clear that the Lagos corporate office was responsible for all staffing decisions, including those involving the Chinese expatriates, as well as for designing organisational structures and training and development arrangements. Hence it was observed by a Nigerian senior manager that:

'Abuja is the capital of Nigeria but here (referring to the Lagos office) is our own HR headquarter which houses all our key staffs. Everyone, irrespective of their location, starts and ends with Lagos office…. we have allowed skeletal operations, especially the compilation of rotas, specific training and subcontractor's wages to be handled in our branches because of proximity.'

5.4.1   Recruitment and Selection

The Nigeria subsidiary started with over 65% Chinese staff, mostly from headquarter but also from other subsidiaries. As has been seen, some of these expatriates were distributed round the top echelon of the Nigerian subsidiary, including the COO and directors. However, they also included skilled and unskilled technicians, cooks and drivers.

This inflow of a large Chinese workforce, to the detriment of the employment of locals, attracted the attention and intervention of the Federal Government of Nigeria (FGN) at a time when it was under political pressure as a result of a high rate of unemployment. Consequently, the government required AAA to recruit more Nigerians to change the unfavourable employment ratio of Chinese to Nigerian staff. As at September 2014, AAA staff strength stood at over 5,000, of which 65% were Nigerians, 5% other nationals and 30% Chinese, a reversal of the situation when the company started in 2005. In relation to this change, the COO therefore observed:

'*Rather than by the terminating of the employment of the Chinese, this shift was achieved by the addition to the workforce of new Nigerian staff*'.

Recruitment before the Federal Government of Nigeria's intervention was informal. Speculative applications were received from close associates of Nigerian personnel and those that the Chinese managers (and particularly the directors) had interacted with. Those so appointed then introduced people they knew, such as relatives. Most of those appointed were allocated to non-professional roles, some of whom had downgraded their qualifications against the backcloth of the high level of unemployment. For example, a Nigerian working as a lawyer in the company said:

'I will not say I passed through a searching process for the job, applying, shortlisting, interviewing and recruitment. In those early days, the General introduced the present Director of HR/Procurement to me when the company needed registration and we have been together ever since. There are certain things that require special attention and pathways in Nigeria and foreigners won't know the process, even if they know the principles'.

As more skillful Nigerian workers, mainly from two of the three major ethnic groups, were brought into the sales and marketing, customer services and HR departments, there was pressure for more to be appointed as a means of further addressing the perceived imbalance between local and Chinese staff. However, other ethnic minorities objected to the lack of diversity in the recruitment process and petitioned the board and the Nigeria Labour Congress (NLC). This in turn attracted government attention and produced a more standardised process of recruitment.

More specifically, a more formal approach to recruitment and selection came to be adopted. AAA now utilises an E-recruitment system whereby applicants go to the AAA website and download an application form that, after completion, can then be submitted by email, along with a CV. This system is intended to be utilised for all types of applicants and jobs, irrespective of ethnicity, gender and which university a graduate attended, as indicated by the following quote from one of the Nigerian senior managers:

'AAA emphasises recruitment of highly qualified staff through selection now and in abiding by the laws of the land. No Nigerian is recruited without having completed the mandatory NYSC (National Youth Service Corps). These are the legal procedure you cannot work in Nigeria as a graduate if you have not served, so AAA verifies not only the academic but the service certificates.

The application form used is different from that used elsewhere in the

company and reflected the need to consider local requirements. As a result, the form includes questions asking about the ethnicity and gender of applicants. It also includes a question asking whether applicants' smoke. This last area of questioning reflected a government requirement that smokers be identified so that they could be covered by its anti-smoking campaign. Under this campaign a wellness group goes around MNCs monitoring their compliance with the requirements of this policy; although there were indications that the compliance officers concerned were not always doing a thorough job, and, in relation to this, stories of 'brown envelopes' exchanging hands were reported. It did appear, however, that considerations of ethnicity did at times influence who was appointed, as the following quote from one of the more senior Nigerian members of staff illustrates:

'……..my recruitment was dictated because they wanted a Northern Engineer who can speak Hausa and deliver the Northern market and neighbouring countries to them. I actually agreed to work with them because a couple can work together in AAA……That is rare in Nigeria and our government seems not to legislate that bit. You know most Nigeria companies will not allow it, especially the banks.

The extent to which recruitment is now undertaken on a formal and objective basis should not, however, be overstated given these observations by a local HR staff:

'*The recruitment and selection method at AAA Nigeria are flexible and from inception the style of Nigerians has been a factor in recruiting as it is informal. Most applications are sourced internally as vacancies become available. Although there are job specific information and roles, most staff know one person or two that fit the roles. Meeting the role criteria is therefore not an issue and selection criteria of personal interview, employment test (to demonstrate skill and knowledge), proven experience in similar role, potential, biographical data, including political and personal qualifications, all hinge on the internal person who is introducing applicant. It allows AAA values to have been communicated'.*

5.4.2   Performance Appraisal

Prior to the registration of AAA in Nigeria and two years after starting operation, no formal performance appraisal was in place for local employees. This absence in turn existed alongside criticisms regarding a lack of local staff being promoted, limited training and development opportunities, and an absence of performance pay, other than the availability of bonuses for selling company products (see further below). This was despite the fact that the performance of local staff in marketing the company's products is now a central element in the appraisal arrangements that have now been put in place.

According to a Nigerian member of HR staff, the absence of an appraisal system simply reflected the skeletal nature of the subsidiary's early operation and the fact that many local staff were appointed on a casual or temporary basis:

'The local employees complained two years after they became staff that they did not see any appraisal form ...my answer to them then still stands today, Nigeria was not making money yet, we as expatriates were receiving our salaries from home. Moreover, most employees' employment was not valid as they were like contract staff' ...'

As the above quote highlights, however, the absence of an appraisal system was a source of criticism among local staff and, in particular, was seen to reflect a lack of desire on the part of the Chinese management to promote them. The following quotes, from two locally recruited staff, a trainee manager and a manager who had worked for AAA for 10 years respectively, serve to usefully capture these points:

'Most times you cannot trust these Chinkos they said that because we did not ask for promotion there was no need for appraisal. My former company is also a foreign company and appraisals are done yearly irrespective of whether you are due for promotion or not.' (Nigerian local

staff).

*'They make it seem we can't compete with the Chinese expatriates.
Recently we have noticed that they promote themselves yearly and far
above Nigerians to become the heads of all departments… We can only
beg them to do more especially for old staff like us who have been with
them since inception. It is not motivating to see your former colleague
becoming not just your boss but head of units, departments, while you
remain static'* (Nigerian trainee manager).

Regarding the current appraisal arrangements, according to a senior
Chinese member of HR staff it is based on the evaluation of staff in respect
of clearly specified and achievable goals and was developed in the light of
practices utilised in other subsidiaries across the world. They, however,
were also reported to have been adapted to meet local circumstances and
hence don't mirror a standard, globally applied template, as the quote
below highlights:

*'Our performance appraisal form captures SMART goals and are
tailored towards measurable and doable goals Our appraisal form
witnessed a lot of changes based on feedback received especially from
subsidiaries worldwide I can't say that the appraisal format should be
the same globally as environmental factors should be put into
consideration'.*

The current performance appraisal form had, however, reportedly been
largely translated into English from Mandarin. As mentioned above, it also
had a strong focus on the role that all staff played in selling the company's
products (see further below). The form, consequently, provided for a
standard quantity of AAA products to be sold and the actual performance
of staff in this respect detailed - a feature that was apparently absent from
the form used by the parent company in China.

Other interviewees also indicated that the appraisal form had over time
undergone change. It was additionally clear, however, that local staff had
concerns both about whether all elements of their performance were

adequately covered and about its linguistic clarity. The following

interview extracts serve to highlight both of these points:

'*I am aware the appraisal is available online, but I am not sure if it captures everything. The page given to us to sign is the only one that has clear English translation even when you do not know what the Chinese words mean.*' (Nigerian production worker).

'*At first I thought it was a format not a form as it did not capture my goals and aspiration which is meant to be reviewed annually. The online form has been changed twice to reflect more of product sale performance than actual work itself. It appears unrealistic to me especially as most of the relevant features such as employees' comments, employees' feedback of supervisor was not captured. I very much doubt if our performance appraisal is the same as for our Chinese counterparts, to start with theirs are written in Chinese….*' (Nigerian office worker).

5.4.3   Training and Development

The Chinese senior managers interviewed invariably expressed the view that both the parent company and the Nigerian subsidiary had a strong commitment to staff training, as the quotes below demonstrate:

'*We place high value on training……In 2015, total attendance at training sessions exceeded 1.12 million with each employee spending an average of 31.06 hours on training. We have*
established an e-learning platform to allow employees access to online training courses anytime, anywhere. The platform keeps employees up to date with the latest practical skills, allowing them to develop personal competence and keep pace with the knowledge economy' (Chinese senior manager)

'*We place high priority on our staff, In Nigeria, we provide 24 hours online real time interactive training for different sections of our business. Our Customer service staff are given preference not only because they represent our main service area but also because our staff are all customer service agents, right from our drivers to the chief executive, we are all well trained to deliver….*' (Chinese senior manager).

In fact, it was argued by another senior manager that AAA's training

arrangements compared well with those of other companies in Nigeria:

'*In terms of training, I consider AAA as one of the best in Nigeria although opinion might differ in terms of what do we really train staff on and how…. but our training department is up to date and in this department although more focussed on technical training, we encourage on the job training…… we supply staff with intermittently hard copies of our e-line training manual. That is like our bible, everyone knows it …… I had my technical*

training in China and the idea is to be able to relate and re-train Nigeria staff with the help of other vising Chinese Technicians. There is almost nothing we can't handle as a team.' (Chinese senior manager).

As the following quote from a senior member of HR staff demonstrates, it was further clear that some staff had the opportunity to go to China to receive training or to transfer to other subsidiaries to gain new skills and experience:

Overseas training in China is available for graduates and above and for our African staff training and development are usually expanded to include work transfer to other African countries where we have subsidiaries' (Nigerian HR manager)

This same member of staff went on to further say:

'*I have benefitted from the company's training and development. I however found the report writing of each training unnecessary and time consuming. A one-on-one interactive session would have been preferred by me although I was told by those that have spent over five years in the company that such interactive session exist only for overseas courses. All the courses I have done so far have been online and at the Nigeria training school, I look forward to the overseas one……*' (Nigerian HR manager).

More specifically, the subsidiary's headquarters houses a training school and employees are usually scheduled for two sessions of training per year. Newly recruited staff meanwhile undergo compulsory yet specific training in their field to acquire the requisite skills they need to function effectively. Informal training in basic Chinese is also usually done at the training school. Some training is done online to acquit staff with some basic operations and in terms of policy and procedures especially marketing and technical employees. Staff that engage in on-line training receive certificates in respect of the courses they have completed so that they can demonstrate the skills and competences they have acquired. This certification is also intended to highlight the importance of training to

career advancement, both inside and outside the company. In fact, there seemed to be a recognition of the role that such training could play in obtaining jobs elsewhere, at least within other Chinese companies, as the following quote illustrates:

'*I did the online training twice on 'managing your boss and colleagues' and I was told that if I decide to work for another Chinese company, then I stand a better chance than someone who does not have the certification …I feel good to know my career can move along as a result of training and will do more if there is need to do so*' (Nigerian office worker).

Against this backcloth, it appeared, however, that access to training, and the nature of it, varied between different types of staff. More generally, interviews indicated that much emphasis was placed on on-the-job training and learning by observing, particularly for lower grades of staff, not least because it provided a means of overcoming language barrier. Much of this training involved relevant skills being passed on by trained and experienced Chinese expatriate staff. This reliance on expatriates was reported to have led to problems providing such training in the subsidiary's northern branch due to the military conflict in part of the country. Prior to the upsurge of political turbulence in Nigeria's North Eastern part, the Chinese expatriates were used on assembly work in the North. This however stopped in 2010 when a deadly attack by Islamic extremists left two AAA subcontractors (cooks) dead. This, alongside the kidnap of one of the Chinese procurement staff,   led to relocation of all expatriates to Abuja on safety grounds. For example, the following was observed by one of these relocated members of staff:

'*The political situation in Northern Nigeria has become a growing threat to business generally, we are still coming to terms with everything religion in Nigeria. AAA's strategy to train staff locally is being*

hampered because we often do on the job training that is transferring knowledge and skills from those that have been trained in China. It counters the language barrier'. (Chinese worker).

5.4.4   Reward

The reward package provided to locally employed staff comprised a number of elements. Aside from basic pay, these included mortgage claims, help towards buying a car and medical insurance. In addition, the subsidiary had a wellness programme provided by one of Nigeria's leading health care providers. Meanwhile, the company claimed that:

'*We consistently prioritise the well-being of our employees. We have created a safe and healthy working environment. Our incentive policy attaches equal importance to monetary and nonmonetary incentives, providing timely and reasonable rewards to dedicated employees. As we continue to grow, we have emphasised the career development of our employees, offering them varied career paths to help them realise their individual value*' (Chinese senior manager).

The basic pay of local staff had originally been low and not always followed the country's national minimum wage. This failure at the time of the research had, however, been remedied, as the observations below made by the previously mentioned Nigerian lawyer bears testament:

'*Employee wages are governed by the minimum wage in Nigeria and not just AAA. Foreign organisations having subsidiaries in Nigeria must comply with the minimum wage otherwise the company will attract first the wrath of the union and later that of the government. The Union have made themselves the policemen of organisations and they come uninvited and unprepared to dialogue*'.

In fact, at the time of the research the subsidiary had recently provided staff with pay rises of 30 percent. The reward arrangements applying to local staff differed in a number of respects from those of expatriates. For example, for legal reasons, Nigerian staff could not be rewarded in

company shares. They were also paid in the local currency, rather than dollars, and were not covered by performance pay arrangements that operated in relation to how they performed in their basic job role. The following quote from a senior manager usefully summarises some of the key areas of difference that existed:

'*AAA Chinese staff working in Nigeria are expatriates here and we earn our salary in dollars, and part of the incentives to come to Nigeria and other subsidiaries are the associated incentives which Nigeria workers are not entitled to, with the additional opportunity to own shares in the company. Our Nigeria staff are on a different pay structure and they have their incentives too like mortgage claims and help towards buying a car, we all enjoy medical insurance though* (Nigerian senior manager).

Unusually, local staff, regardless of job role, could, as already mentioned, earn bonuses for selling company products. This arrangement reflected how a key element of the subsidiary's business strategy was to sell products directly to individual consumers. The provision of bonuses to staff was seen as a way of doing this and, in fact, worked well since both high- and low-class Nigerians quickly embraced the tablets and mobile phones marketed by the company.

Access to these sales bonuses appeared popular, particularly among lower paid junior staff, who recorded the majority of such sales:

'*I particularly like the sales bonus as it allows me to use my connection to push my sales, I don't know if I really prefer being promoted to the sales bonus because companies will only do things that will be profitable to them. One thing is though, we Nigerians complain a lot*' (Nigerian office worker).

'*The bonus is good, you get 15% of what you sell, it is just that our products are friendlier and cheaper to the labourers in Nigeria and although companies have started using us for landlines and intercoms, nothing beats the personal phones.*' (Nigerian manager).

This was perhaps unsurprising since it emerged that a further benefit of them was that the income concerned did not attract tax. Apparently, this

was because the sums involved were not computed along salary lines and job roles, but additional to these roles. At the same time, frustrations were expressed about the fact that performance in this selling role did not feed through into the provision of promotion. Middle managers and staff who had worked longer at AAA felt that good performance in this regard should be rewarded with promotion, a concern that again reflected discontent about the differing promotion opportunities available to Nigerians and their Chinese counterparts. Examples in this regard were given of Chinese who had started out in junior positions and risen through the ranks to become senior managers and AGM while their Nigeria counterparts lagged behind. Such dissatisfaction is further captured by the following quote from a local member of staff:

'*I believe in incentives as I would not have gone out of my way or stress myself to sell our products if the monetary aspect is removed. I am a customer service officer. I, however, believe that what is worth doing is worth doing better. The Chinese nationals whether they make sales or not their share value keeps going up but for the rest of us. I personally would have preferred promotion as a bonus is temporary, but promotion is permanent*' (Nigerian staff).

By the time of the research, AAA Nigeria was considered to offer a similar range of benefits to other foreign companies. Its salaries were also seen to compare well with those provided by other MNCs that were not engaged in oil production. Not all local staff were, however, happy with the terms and conditions on offer. As a result, mixed views were expressed among the Nigerian employees when making comparisons between working for Chinese companies and older more familiar western companies, with both advantages and disadvantages being identified. More particularly, in relation to AAA, varying degrees of satisfaction were expressed:

'*After the 30% increase, AAA went to sleep… I think for a global company*

we need to do more, train and encourage price premium competition amongst staff to bring out the best and encourage innovation…. they (AAA) are trying but it can be much better' (Nigerian manager).

'*AAA is trying, I have no regret leaving a British company to join them They are more like us with so much formality although the news outside is bad, but they keep improving on their benefits despite having no competitor*' (Nigerian manager).

5.4.5 Communication and workers' voice

Lines of communication between management and staff appeared problematic in AAA. Communication between executives and employees were reported to be infrequent and to be poor, despite the on-line circulation of a newsletter written both in English and Chinese and the holding of occasional staff meetings to discuss product sales. Both language and cultural issues were indicated to be sources of these communication difficulties. Attempts to improve the current situation were, however, also apparent. Attention was drawn to an App that was now available to translate Chinese into English. It was further reported that the ability of the Technical Director to speak English and Chinese led to his appointment as the head of not just the Information Technology department but the Research and Development one as well. It was also argued that the company's unusual, in the Nigerian context, willingness to accept couples, partners and siblings working together represented an attempt to support improved communication. In relation to this, it was observed that the Chinese seemed to feel that trust is built when couples work together as they bring their best to the organisation in order to achieve better results and avoid job termination.

Nevertheless, the general impression to emerge from the interviews was that

the subsidiary was marked by an 'us and 'them' divide that reflected a lack

of cultural awareness and understanding:

'*Communication problems in the company for me is actually a lack of understanding. I don't think we understand ourselves so well, but I will be the first one to admit that our cultures have more similarities than differences….*' (Chinese senior manager).

The quote below is from an Expatriate married to a Nigerian:

'communication problems existed and that cultural, as well as language barriers, contributed to them:

'*There is no doubt that communication is a challenge in AAA, this to me is despite the similarity in our culture and beliefs. Obviously, the language barrier is there but then I was not speaking Chinese before I married Cho and even after marriage, I speak little Mandarin…the efforts are there to improve communication. Information is mostly given in Chinese although we have an App (application) to translate to English ….it gives a bad impression on most Nigerians as they see it as a deliberate attempt to side-line them.*' (Nigerian office worker).

There was also no doubt that the problems with communication were

recognised by senior managers, as the following observations of a director

and the earlier mentioned Nigerian lawyer demonstrate:

'*Good communication means a lot to AAA; we strive to maintain an open door …but we know we have a language barrier here. Nigerians themselves speak different languages…but we find Nigeria pidgin English a common ground for most of us…. we have a newsletter that is available in both English and Chinese and our 24 hours on-line website. We are sponsoring research into the use of Pidgin English in Nigeria business environment at a private University here in Nigeria…. a lot of what we read and hear about the company from the press here is communication breakdown. It can only get better though because we have seen the worst*' (Chinese director).

'*Most of what is done here in the subsidiary is a replica of what we hear them say are headquarter practices, strategies and policies. Personally, I can attest to this because we used most of these to get the company started. As a service company that started with little competition in Nigeria, quality has been the differentiating factor although communication is still lacking in terms of overall job delivery*' (Nigerian lawyer).

Some local employees in AAA, however, viewed the actions and inactions

of their supervisors/managers differently. For them, the 'they/them' and 'us/we' existed because the Chinese wanted to assert their authority and control, and to demonstrate their superiority by minimising communication with local employees. Certainly, it was noted that it was common to see translation from the Chinese language to English rather than the reverse, irrespective of the rank of the head of department or the staff involved. A trainee Nigerian technician, for example, who needed his job description specified as verbally discussed with him by his Nigerian supervisor, for example, reported that:

'*if you need a hard copy based on your student loan repayment condition…then you have to wait for Xi [another technician but a Chinese who reported to a different and junior Chinese supervisor] to get his boss to conclude what and how it should be done and translated for you, although I don't report to him. But being trained is different from being relevant. We know the relevant people here and my Nigerian bosses are not part of them*'.

AAA's statements that '*we value our employees*' was therefore often quoted satirically by those interviewed. One junior Nigerian analyst, for example, made the following observations regarding current communications between Chinese supervisors and local staff:

'*I know most of the Chinese speak passable pidgin but not the English Language and I don't really speak good pidgin but to me they (Chinese supervisors) do as they like. Not in any aggressive form but they hardly communicate their views...most of us are just thankful we have a job, so when they say they value our employees, it is like slavery. They are like a clan, they and us, we are not only separated by colour of our skin but our culture*'.

In a similar vein, another local member of staff suggested that Chinese supervisors were often unwilling to make the effort to communicate with staff in English:

'*I am a supervisor myself, but I do one on one communication with my staff, the Chinese are more practical, yes it might be the language barrier*

but a lot of them now speak passable pidgin English and with the launch of an App (in-house) that converts the Chinese language to English they expect you to even translate their email in order to comprehend.' (Nigerian office worker).

Nevertheless, notwithstanding these communication problems, it was clear that wider cultural problems also at times adversely impacted management-staff relationships. Several managers, for example, referred to the unwillingness of Nigerian staff to undertake unpaid overtime; something that the Chinese managers viewed as normal practice, while another observed that:

'*I have made it known since my earlier days as HR Director that the locals must be taken into consideration, but we have challenges in the way Nigerians want to be treated, especially the Yorubas……. who have a strong attachment to holidays and taking days off even when jobs remain to be accomplishe*d' (Chinese manager).

Meanwhile, a local administrative member of staff reported that:

'*I find it difficult communicating with them [the Chinese] during work. They find it difficult convincing me to work weekends because I am a Christian. I go for choir practice on Saturday and church takes the whole of my Sunday…what they want me to do on weekends can be done during the week if we communicate more but they stay together, work together and will always satisfy the customers in terms of delivery but not us......I marvel at their strength*' (Nigerian office worker).

Such tensions between management and staff existed in a context where it was reported by one member of HR staff that training in the subsidiary focussed narrowly on job requirements and did not extend to place a focus on the softer skills involved in managing people:

'*Yes, they train but nothing on individual motivation. You hear they value their employees, it's like an anthem but all training and development is towards generating performance. We need to see more training apart from this…training should be wholesome*' (Nigerian production worker).

'………*they do not encourage the union. If there is one word the Chinese*

understand in English perfectly it is no union. But, prior to my knowing that, I actually discussed with our director the possibility of a union and since he nodded, I thought that was like a go-ahead. Of course, we started something in that line and of course…………… I was nearly sacked because everything came back to me'. (Nigerian office worker).

Nevertheless, the Nigeria Labour Congress have brought controversial issues concerning AAA and their staff to public attention and lobbied the government on behalf of local workers. It was reported that it had at times led the government, in order to avoid strikes and disruption, to approach the company to seek changes that would satisfy the union. In effect, therefore, the union through these means was able to exert a good deal of influence, even though it did not directly deal with the company. The following statements by two different Chinese managers capture this point well, while also suggesting that the company's approach to the union might change in the future:

'*The overall aim of AAA is to satisfy all stakeholders and create mutual benefits ... we do not put a profit tag on all things although the trade union has cost us more money than any other social or public engagement in Nigeria. The future seems ready for us to embrace the trade union. Presently they hold the ace, and they influence most things even from outside*'.

'*They come daily to disturb us, asking for money in order to stay away…they will come to confirm if AAA is forcing Muslim staff not to observe their Jummat prayers on Fridays and if Christian workers are working on Sunday. It is all confusing and we wonder why this is so. This is an organisation with no union…but it seems they will just run to the government who in turn will be forced to act on them behave, it is like a chain going in circle*'.

5.5   Summary

This chapter has sought to describe and explain the central features of HRM in the first case study organisation, including workers' reactions to laid down policies and practices, and the factors that have influenced them.

In doing so, the chapter has shed light on the role, on the one hand, that internal company and country of origin considerations played in this regard and, on the other, how aspects of the host county, Nigeria, have exerted a significant influence.

The presented findings have revealed that in its early years of operation in Nigeria AAA Services placed at nearly all levels a heavy reliance on expatriate Chinese staff, to the point that they made up around two-thirds of the workforce. Meanwhile, local Nigerian staff were recruited through informal, often word of mouth, means and often on a casual and temporary basis. This pattern of recruitment in turn existed alongside relatively poor terms and conditions and an absence of a performance appraisal system. It also existed alongside a rather unusual system whereby all Nigerian workers, regardless of formal job roles, were encouraged to sell the company's product and qualified for bonus payments when they did. HRM from the outset was relatively informal and undeveloped in certain respects. At the same time, the company had its own training center, although its presence existed alongside heavy emphasis on doing on-the job training and the observation of experienced Chinese workers. It also had a relatively large HR function. However, it also emerged that to a large extent the formal policies and procedures that did exist largely mirrored those of the parent company. Furthermore, the findings highlighted that Chinese expatriates occupied all senior positions in the subsidiary; barring the presence of a Nigerian director, the appointment of whom was required by law. Even here, however, this person appeared to play a relatively minor role in day-to-day affairs as he was excluded from pre-board meetings.

HRM in AAA services therefore, particularly in the early years, bore strong parent company and ethnocentric influences. Nevertheless, the findings indicated clearly that its nature, and worker responses to it, also bore the influence of a number of host country factors. In particular, the Federal Government of Nigeria through the Ministry of Labour and Employment was found to have exerted an important influence over some aspects of HRM in the company, sometimes as a result of trade union pressure on it. Furthermore, aspects of the surrounding culture and political situation were similarly found to have been influential.

In the case of the former, the government had intervened when the disproportionate employment of Chinese staff came to its attention; with the result that the balance between Chinese and Nigerian staff reversed from that which had originally existed. In a similar vein, the government played a role in encouraging the adoption of more formal recruitment and selection processes; although there were signs that these operated at times with a degree of continuing informality. The government had further acted as a conduit for worker dissatisfaction about aspects of their employment, by seeking company responses to address issues that the union was exerting pressure on it about. Through these means, it, and indirectly the union, had contributed to establishment of improved terms and conditions, including a 30 percent pay rise.

More widely, political considerations had impacted on the subsidiary in several important ways. As a result of the Chinese government's failure to support the Igbos fight for independence in the Biafra war, the company

had resisted attempts to get it to set up a branch in the Eastern part of the country and, indeed, largely recruited from the two other major ethnic groups in the country. Islamist inspired disruption in the North of the country meanwhile had led the company to remove all expatriates from the branch located there, with consequent adverse effects on the training activity undertaken in that branch.

Despite the suggestions noted in Chapter 3 about the potential similarities between the Chinese and African notions of Guanxi and Ubuntu respectively, evidence was found of marked tensions in staff relations within AAA services. Nigerian staff were unhappy at the lack of promotion opportunities available to them, as well as the way decision-making was dominated almost exclusively by Chinese managers.

The relatively inferior nature of some of their terms and conditions when compared with those of expatriates and the poor relationships and communications with Chinese managers and supervisors. Furthermore, these poor communications were seen not only to reflect poor language skills but a desire by the managers and supervisors to demonstrate their superiority. Chinese expatriate managers meanwhile criticised the unwillingness of Nigerian staff to do unpaid overtime and work weekends, as well as their willingness to take holidays even when there was still work to be finished.

CHAPTER SIX: BBB Construction Company

6.1   Introduction

This chapter reports the findings obtained from the second case study organisation, referred to here as BBB construction. It is structured in the same way as the preceding one. First, background information is provided on the Chinese parent organisation and its Nigerian subsidiary. Details are then provided on the subsidiary's human resource function and its relationship to the parent organisation's policies and procedures. Following this, attention is paid to the nature of the Nigerian subsidiary's HRM, focusing in turn on the issues of recruitment and selection, performance appraisal, training and development, rewards, and communication and worker voice, as well as staff perceptions of these arrangements, and the factors that have acted to shape them.

6.2   The parent company and its Nigerian subsidiary

BBB Construction Company was established in China in 1979 as part of a conglomerate of construction, oil and services companies. The wider conglomerate expanded rapidly, undertaking activities in civil engineering design and consultancy, real estate development, trading, industrial investment and hotel management. Meanwhile, BBB construction an important role in aid programmes across Africa, including in Nigeria. The company started operations in Nigeria in Like many other state-owned Chinese enterprises, the company's entry into Nigeria was paved by a programme of mutual collaboration established between the two governments. In the case of BBB, the collaboration was built and nurtured during the military regime. Since then, the company's activities in Nigeria

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have expanded considerably, leading one of its senior Chinese managers

to observe when interviewed that:

'*After 30 years of existence, we have become one of the most reputable engineering organisations in Nigeria*'.

6.3   Organisational Structure and Control
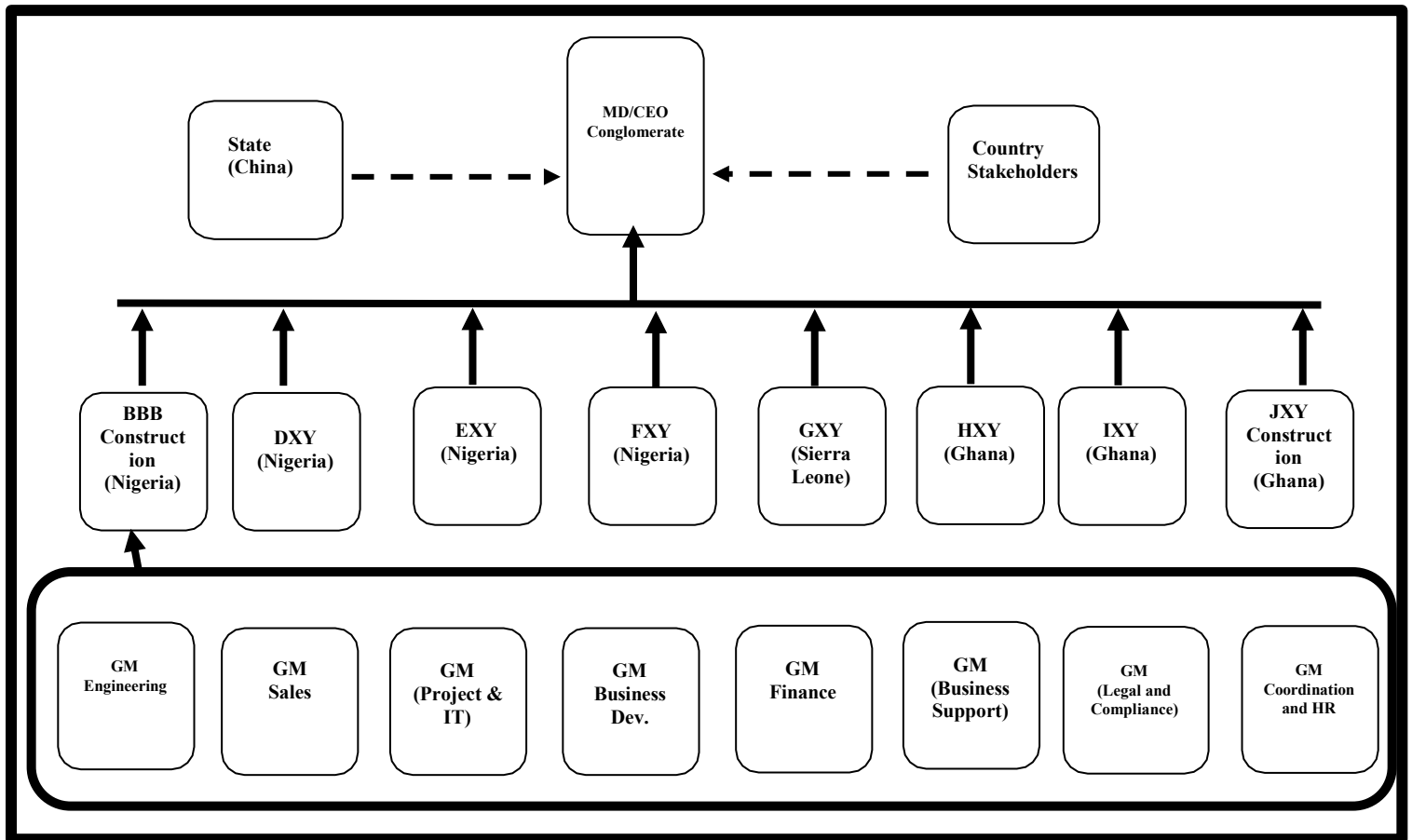
Figure 6.3 BBB Organisational Structure and Control

As can be seen below, the subsidiary forms an integral part of a wider

division. The wider division BBB construction belongs to is the West African division of the parent company. This division is headed by a Managing Director based in Abuja who is responsible for eight separate companies, including ones engaged in hotels and oil services. The division's board comprises the managing director himself, a Chief Operating Officer, head office board representatives and various local West African stakeholders. Meanwhile, BBB's Nigerian subsidiary is managed on a day-to-day basis through eight general managers responsible respectively for Engineering, Sales, Project and Information Technology, Business Development, Finance and Business Support. The head of Business Support however also serves as deputy Group Head and for this reason, the Legal and Compliance and Human Resources departments report to him.

All eight general managers, at the time of the study, were Chinese expatriates. Nigerians, however, had been appointed as deputy heads of the Legal and Compliance and Human Resources functions. In both cases, the appointments were said to have been made as the result of a recognition that the management of these departments needed to incorporate a substantial degree of local knowledge and understanding, as well as a capacity to work in the local language and to be able to produce translations of official documents.

Indeed, Nigeria has become the company's largest market, as the following quote from one of the Chinese senior managers illustrates:

'*Nigeria is today our biggest market when you want to talk about construction ….and we are very ready for more railways, airports and*

road construction project in Nigeria'.

6.4   The Nature and Process of HRM

This section initially presents the structure and nature of the HRM function in the Nigerian subsidiary. Attention is then paid to the arrangements in place in relation to recruitment and selection, performance appraisal, training and development, reward, and communication and worker's voice, along with some of the key factors that have influenced them.

HRM function

The conglomerate of which BBB Construction forms part shares similarities in terms of corporate policies, including in the human resources area, as the following observations of a Chinese human resource manager highlight:

'*Decision making has been institutionalised because of the historical background of China. Most of the top managers are seconded by the State. Their influence goes far, not just in Nigeria but in all the conglomerate's activities, and this involve integrating most of our practices to be comparable across all operations.*'

Constituent companies do, however, have some limited scope to adapt policies to local policies are in line with local requirements was reported to explain why the head of the human resources division was a local employee. For example, on it was on the basis of the local HR manager's advice that subsidiary moved to bi-annual, rather than annual, performance appraisals and the decision was taken to limit promotions to a maximum of one every three years (see further below). The Nigerian subsidiary has similarly been allowed much more responsibility with

regard to the identification and meeting of training needs, as the observations below of another Nigerian member of human resource staff make clear:

'*Training is one area where the importance of HR is highly emphasised and the Nigeria subsidiary has decentralised from headquarters involvement in order to facilitate and make it available to employees and external stakeholders at a faster pace. It might be bureaucratic to wait for headquarters involvement when we bid for jobs regularly and our staff need to train and keep themselves abreast of new innovations. This is even inclusive of training handled by headquarters as we do not have to present training propositions first to the board for it to be approved and done.*'

The Human Resources department has sub-units on recruitment and selection, remuneration (welfare), and training and development. Health and safety, meanwhile, falls within the remit of the Legal and Compliance department. These departments are, however, not only located alongside each other but also collaborate extensively in order to deal with their inevitably overlapping interests, particularly in terms of the handling of employee grievances and the taking of actions in relation to them aimed at avoiding their escalation nationally by the national union.

6.4.1 Recruitment and selection

Headquarter staff and Chinese expatriates more generally constituted most of the staff employed in the Nigeria subsidiary in the early days of its operation. These expatriates therefore, not only included top executives, human resource managers, and engineers and technicians, but also casual construction workers, cooks and drivers.

This preference to use Chinese staffs for even relatively menial jobs drew

complaints from Nigerians, including trade unions. As a result, over time the quota of Nigerian staff increased; although, as is discussed further below, there are still complaints about the perceived bad treatment received by Nigerian staff in relation to such matters as safety measures, the use of temporary contracts, low wages, and the abrupt and illegal termination of contracts. Furthermore, at the time of the study, it was still the case that the staffing of the subsidiary reflected a highly ethnocentric influence. Thus, just 40% of the 600 strong workforces comprised Nigerians. Furthermore, most of these were employed on a casual basis. As a result, only 10% of the workforce was made up of Nigerians working under permanent contracts.

Concerns about the ethnic composition of the workforce existed along with further ones concerning gender. Here it was noted by unions that apart from the Nigeria HR manager, no female occupied a prominent position in the company. For its part, the company defended this by pointing to the nature of jobs in the construction industry. However, other interviewees cast doubt on this, pointing out that the country had a lot of female civil construction engineering graduates who were not gainfully employed. In relation to these concerns a Nigerian male casual construction worker, for example, observed the following:

'*I applied alongside my twin sister for this job, but she was not taken, she is even more qualified than I am and both of us passed the initial test. This is why the Union is always on our case, we do not believe we are getting the best in terms of employment relations, but I will also be the first to say they are trying.*'.

As regards recruitment, appointments to the subsidiary were made

through two different channels. The first of these involved an open recruitment process operated through a centralised online application process. The second the use of local employment agencies.

With regard to the first of these channels, the parent company operated an open search unified online process that provided multilingual global access to job vacancies. More specifically, the website allows candidates to view available vacancies, including the duties and responsibilities and qualifying conditions associated with them. It also allowed those interested in advertised vacancies to complete and submit an online application form. Once a form is submitted it is reviewed to see if an applicant meets the minimum requirements of the job concerned. If so, a curriculum vita is requested, along with soft copies of the candidate's passport and qualifications. After this, a process of selection follows under which applicants are selected based on defined criteria for tests and interviews relating to particular job functions. For example, during interviews engineering applicants are required to undertake a written technical test and management ones are usually required to complete aptitude-based tasks. In some cases, psychometric tests are used measure applicants' mental capabilities and behavioural styles. Successful candidates are then posted to countries and departments where their particular skills are needed. Consequently, following selection, successful candidates might be asked to report first to head office, a domestic subsidiary or directly to an overseas one. It appeared that this process was the one that had been followed in the case of the few Nigerian engineers working in BBB, although not all of these had been initially recruited in

the country. Hence the following observations of a Nigerian engineer:

'*I schooled in South Africa and I had previously worked with another Chinese company in South Africa before I got this job. The first stage of my recruitment involved filling an online form and attending two interviews in South Africa. The whole process took two weeks; I guess they were in a hurry to get an African engineer as part of the Tanzania project as I was the only other African Engineer to work on the project'.*

The minimum requirement for an appointment was the possession of first degree and completion of Nigeria Youth Service Scheme (NYSC), these requirements reflecting the fact that full-time permanent employment was largely focussed on technical and professional areas of work. For example, a human resources interviewee pointed out that engineering-based departments not only employed engineering graduates but also architects and draughtsman.

 Once appointed most staff were subject to a six-month performance based probationary period. Termination could be initiated by either of the two parties with one-month in-lieu of notice salary paid. Although open to all, it nevertheless appeared that more Chinese than Nigerians were appointed through the online recruitment process. Interestingly, one senior managerial interviewee, as the following quote shows, suggested that:

 '*this imbalance reflected a combination of guanxi and a hangover from China's previous system of lifetime employment, whereby the company felt duty bound to provide continued employment to long-serving staff, particularly when they had influential connections: reform allowed the larger companies to make choices but some of them chose to operate together as a conglomerate because they are guided by guanxi……relationships are important, we work together for success.*' (Chinese manager).

In practice, however, the Nigerian subsidiary outsourced most of its recruitment to employment agencies, with these being especially

important in relation to the hiring of contract staff, both from within the

country and from China. Four such agencies were used to obtain

applications from interested candidates and interviewed those interested

via telephones. Nigerian members of staff interviewed reported how local

applicants usually underplayed their qualifications because of a belief that

the more educated you declared yourself the less your chances of getting

the menial jobs the agencies advertised. In their view, the recruitment

agencies had been told not to hire educated Nigerians as they would

become very vocal and advocate for better treatment once employed. For

example, one locally recruited casual construction worker stated:

'*Unemployment in Nigeria has made most people compromise, We take any job that comes to our ways, hide our qualifications as they view education as a threat. Although the good thing about contract employment is that it allows one to work two or more jobs but even these jobs are not available. A friend introduced me to the agency when I went begging for money to feed my family. He was already working here but eventually got a job with a western company last year, I pray I get something soon as the condition of our employment is terrible especially for a graduate like me, although I didn't tell them that ...and our government is not helping....*'.

Employment does not apply to such workers. It also appeared that it was

rare for casual workers to subsequently be made permanent, as

highlighted by the following quote from another casually employed

Nigerian construction worker:

'*Since I joined BBB Construction, only one Nigerian has moved from casual staff to full term employment. Yes, he is an Engineer and he kept saying things can go on like this without proper employment until he told us the good news…. now his salary is 10 times his earlier earnings and he was very active in reporting issues to the union*'.

A human resources member of staff pointed out that not all contract staff

had gone to university or completed their university studies. Rather, some were recruited with school leaving certificates. This same interviewee went on to argue that 'once they pass our agencies tests, we are bound to document them like our full-time staff'.

6.4.2 Performance Appraisal

Under the old state-controlled economy, the evaluation of company staff hinged on political loyalty and connections and these values were prioritised more than individual or group performance. Hence the previous system of life-time employment guaranteed not just employment but loyalty, commitment and collective security on the part of staff. The reforms had however led to the embracement of more western style processes. In line with this, BBB had put in place a western style system of performance appraisal. Under this a strong focus was placed on both expectations and achievements, especially in the case of engineering staff. Consequently, performance was evaluated against individual goals in the context of wider departmental and organisational objectives. As already mentioned, these appraisals, in a departure from parent company policy, were conducted on a twice-annual, rather than annual, basis. Discussing this system, a Chinese member of human resource staff stressed both its performance orientated nature and the continued importance attached to the values and beliefs of those being appraised:

'*Our performance appraisal system is tailored towards performance. Employees are daily appraised based on attendance, trained to acquire required skills and tested to move across the [promotion] ladder. It is rewarding as staff are well motivated to perform and give their best. We tend to tailor performance to individual' despite being a construction*

company whereby collective results are of ultimate importance. Right from recruitment individuals have targets tailored towards performance. The general system of performance appraisal involves on-line personality and psychometric tests again as part of the profiling. Dynamic details such as employees' bio-data are regularly captured to highlight values, beliefs, religion and also to reflect changes that may have occurred within the past and present appraisal period'.

More specifically, the current appraisal system used a 'graphic rating scale' under which staff were evaluated on a range of factors on the basis of a scale incorporating the following ratings: extremely poor, bad, average, good, very good and excellent. The criteria used varied to some extent between categories of staff. For example, those for technicians included knowledge, innovation, teamwork (team spirit), attendance and social orientation. Thus, in discussing the system, a senior Nigerian member of the HR department observed:

'*We use the graphical rating scale for appraisal as it is easy to use and classify employees into how well they have performed during the appraisal period. It allows performance evaluation to be seen across individual goals in the context of the wider departmental and organisation objectives. Ratings range from extremely poor ...to Excellent and set criteria include Innovation, Team spirit, Initiative, Attendance ...*'.

The performance appraisal system, like the preliminary recruitment process, was a centralised one that was common to staff across the whole company. Where good performance was identified, it can be rewarded through increments, more training and promotion. However, it was reported that a policy had been adopted whereby promotions could only take place every three years for local staffs. In addition, it appeared that the increases in pay awarded were reported to be of a limited nature, as highlighted in the following quote from one local permanent member of staff:

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'*Appraisal is done twice a year for all permanent staff, but the outcome of the appraisal is something we are not happy with. You get your grades on the performance scale. Yet expatriates are guaranteed a job for life although they try to deny this and despite uniform criteria set for the staff of the same department or unit. The best we get is promotion to the next level with little salary increase and for a promotion you have to wait for three years……. However, the top executives enjoy all the necessary pay especially as aid-based projects were completed in record time*' (Nigerian office worker).

6.4.3 Training and Development

Training and development in the China headquarters were reported to involve a lot of on-the-job training. This focus was not, however, to the complete exclusion of more formal training provision. The company had a large training centre at which training courses were attended by staff from across all of its operations. In addition, it had developed a range of online courses that could be accessed by staff internationally. More generally, the company was reported to have a high commitment to staff training, seeing it as central to its success. In line with this, one management respondent, for example, noted how the company placed:

'*high importance on training and considers it important to the organisation's strategy to expand across the world*'.

On the job training was also reported to be extensively relied upon by the Nigerian subsidiary. At the same time, it too had a training center. Located in Abuja, this center had four members of staff and provided a range of training courses to both staff and the general public (see further below). Such training in turn existed alongside the ability of staff to undertake the online training courses via local computer facilities. Such courses it was reported tended to be developed where the training concerned was relevant to a collection of overseas based subsidiaries. In another echo of the parent company, it was similarly clear that management within BBB very much

saw investment in staff development, especially in those viewed as committed to the goals and aspiration of the organisation, as important to its own future development. For example, one senior Chinese manager observed that:

'*Training and development are important to what we do in BBB. The world itself keeps evolving and modernisation appears to be dynamic. That is one reason the company cannot remain static……In Nigeria, as much as 10% of the total expenditure is allocated to training and development. A further 10% for research and development and this extends to other stakeholders, who are equally trained…….*'

In the case of BBB employees, two sets of training were usually provided each year based on recommendations arising out of performance appraisal interviews undertaken by line managers. An Engineer, for example, might be recommended to take some construction-related training to qualify for the next promotion alongside a course on customer service relationships. On-the- job training could also involve staff being sent abroad to receive training on other projects being run by the company.

In fact, it appeared common for Nigerians to go to other countries to be trained, get job rotation and even teach as a necessary part of their promotion and career advancement process. In relation to this, some locals, it was reported, saw training outside of Nigeria to be a part of the rewards and compensation available to them. More particularly, they apparently saw such training as not only enabling them to visit headquarters and learn from staff located there, but also as of value financially because of the allowances they received when undertaking such training.

Much of the local training provided to middle managers and junior staff was conducted by headquarters staff who had received their own training centrally. According to a Nigerian engineer, it was on such staff that training tended to be focussed:

'*Developing self in BBB is concentrated within us middle to senior managers……They consider you more as part of the in-group than an employee and you get to train outside the country and also on the job… as part of conditions required to gain promotion, reward and overall career advancement*'. (Nigerian engineer).

Interestingly, those receiving training included members of the general public, including ones interested in obtaining employment in BBB and other foreign companies. This arrangement reflected the way in which the company's collaboration with the Nigeria government operated as part of the Chinese government's foreign aid programme. BBB therefore saw such training as a means of demonstrating to local people how its work in the country yielded mutually beneficial outcomes. Thus, for example, on its website, the company stated how training represented an investment in the people and places in which they operated and so was prepared to sponsor training that positively impacted not just on their work but equally on the environment. Certainly, it was reported by some local interviewees to offer development opportunities to Nigeria Engineering graduates who, struggling to get employment, had become employed as casual contract workers to earn income and get the necessary certified training.

BBB advertised this free training through radio jingles and Nigerians without age restrictions could add value to themselves by undertaking such courses. The minimum requirement to qualify for training was normally set at General Certificate of Education (GCE), which is equivalent to the old

West African School Certificate (WASC). However, the Nigerian Primary School Leaving Certificates were equally considered for more experienced persons who require certification to get or keep their already secured jobs elsewhere.

Around 100 locals each month received the provided training. As Table 6.4.3 below illustrates, much of it was of a technical nature, centered on the development of manual skills.

Table 6.4.3   Typical Training Duration in BBB Construction

Training	Duration
Construction Labourer	4 weeks
Bricklaying	6 weeks
Pipefitter	4 weeks
Equipment Operator	6 weeks
Plumber	4 weeks
Computer Literacy	8 weeks

The training provided was coordinated by BBB's HR department via its training centre. On occasion, however, such training was provided by external trainers, usually supplied by the Federal Republic of Nigeria from the Ministry of Works and Planning. In commenting on such training, one internal Nigerian trainer observed that:

'*The mutual understanding that exists between Federal Government of Nigeria and the State of China has made this possible to such an extent that the training centre is a bridge that solidifies, not divides, the two countries….*'.

These various development opportunities appeared, however, to be limited to full-time permanent staff, as the earlier quote highlighted.

Consequently, training for casual contract workers was largely the responsibility of the employment agencies supplying them. This training interviewees suggested was often of a limited and inadequate nature. It was further suggested that at times the safety rules and procedures communicated through training were ignored by supervisors. A contract member of staff interviewed, for example, recalled the tragic event that led to the death of his friend, another contract member of staff, as follows:

'*You will not believe it, X (our then supervisor) wanted to smoke a cigarette and rather than finish the concrete cutting first he told [my friend] to use the cutter……and he cut of his hands…….. The cutter was new and faster than the ones they trained us with at the training school and yet he left it on for [my friend] to use just because of a cigarette. That is why there will always be protests, their actions suggest that they want to paint us in bad lights as lazy and unskillful, yet when modern equipment comes, they go to China to train even our own engineers and when they come back, they don't emphasise the safety training*'.

More widely, one expatriate interviewed suggested that the company's approach to training and development embodied a Confucian quality. That is a focus on its role in advancing collective rather than individual interests. In other words, an approach that was highly functionally geared to advancing corporate interests.

6.4.4 Reward

The reward system for senior and technical staff therefore encompassed both base pay and the provision of performance-based payments. In addition, a variety of benefits were also made available to staff. These included medical care provided through one of the country's top healthcare providers, free transportation to the workplace, subsidised housing loans, paid maternity leave, subsidised meals, interest-free loans (mostly sought from State Bank of China), and a pension scheme. It

appeared that such packages of benefits were a common feature of the company's operations across the world. However, a Nigerian HR interviewee made clear that those provided to local staff largely reflected laid down domestic legal requirements:

'*Benefits are regulated and in line with the Federal Government of Nigeria such as medical and accident plans. Staffs are allowed to choose their own medical and insurance regulators although we partner with some to allocate funds for investment purposes for the company.*
There are other benefits, like staff buses and housing allowances ...we are equally working on a company-sponsored scholarship for staff children as BBB is very conscious of giving back to the society'.

A local member of staff confirmed that local staff were provided with a range of benefits:

'*...There are housing benefits for staff who qualify, free transportation to the workplace, subsidised housing loans for staffs, subsidised meals and medical benefits for everyone although with varying amounts and the expatriates have some benefits that become their entitlement by reason of being Headquarter staffs like interest free loans (mostly sought from State Bank of China) and pension scheme*' (Nigerian office worker).

Basic pay was set in relation to formal grading structures containing increments within the individual grades. However, different grading (and performance pay) arrangements applied to expatriate and local staff. In addition, some categories of the former had access to share-based bonuses. The interviews revealed that there had been longstanding discontent on the levels of pay provided. Those interviewed, for example, suggested that pay rates were below those needed to comply with Nigeria's laid down minimum wage. Indeed, it was reported that this feature had recently led to protests when the company took over two construction projects from the Nigeria government. Such reported concerns accorded with the following observations regarding pay in BBB Construction made by Atomre et al (2009) in their study of Chinese investments in Nigeria and its influence on

the social, political and economic development of Nigeria:

'*The average minimum wage of a local worker in [BBB Construction] was N6, 500 ($56.00) while the average maximum wage was N7, 500 ($66) which is the approved state and federal minimum wages.*

The rewards provided to casual agency staff were also controversial. Such staff were not provided with access to the various benefits mentioned above. Nor were they covered by the performance pay system that applied to permanent staff. In fact, performance appraisals for contract staffs were conducted by the employment agencies supplying them and for the most part appeared to be only carried out with the purpose of deciding which staff were to be retained for the next appraisal period rather than as a means of providing pay increases or promotions.

It was further reported that contract staffs who, after a favourable appraisal, expected some form of reward from BBB through their agents were usually rebuffed and were subsequently frequently not re-employed in the company. In theory, such dismissed staff could complain about their treatment via complaints to the Nigeria Labour Congress. In practice, however, this was problematic since they did not possess letters of appointment from BBB that provided a basis for claims of mistreatment.

These features of the reward situation meant that levels of staff motivation among Nigerian staff were considered often to be low and relations between them and the company to be marked by 'us and them' conflicts. Interviews also revealed unhappiness about what was perceived to be a lack of fairness and consistency with regard to the treatment of Chinese staff, on the one hand, and Nigerian ones, on the other. For example, it was noted that local staff did not get increments based on service and had to wait for periods of

three years between promotions. In contrast, no such restriction was placed on the promotion of expatriate staff. This disconnection between performance and promotion led one interviewee to observe that it could lead to a situation where, for example, a local member of staff could remain:

'on the same level and grade and still get an award as the best architect of the year or receive a monetary reward for being judged staff member of the year'. (Nigerian office worker).

In a similar vein, one local worker drew attention to this issue of local-expatriate differences in the following terms:

'...BBB construction will hire one Nigeria and one Chinese, but the difference is clear, their temporary Chinese staff enjoys all the benefits of permanent staff except that contracts are renewed yearly. We heard that the Chinese contract staff are mostly students from China recruited as directed by the state, who need to be exposed to practical jobs......So when sometimes we are owed salaries and this can be for as long as three months, Chinese casuals get paid on time' (Nigerian construction worker).

This same interviewee went on to observe that:

'.... we are not safe, they endanger our daily lives, we step out of the house praying and we are returning thanking God for surviving another day. Yet no one listens to us, not even our government'.

In doing so, the interviewee reflected wider internal and external concerns about safety standards in the company. Those interviewed, for example, referred to protests that had

occurred on construction sites that had involved locally employed staff downing tools in response to their dissatisfaction with working conditions. They also noted that local Nigerians were familiar with stories from other countries where complaints had been made about such conditions. Indeed, one of the local construction workers interviewed

went so far as to say:

'……it is easier to die working in a Chinese construction company than walking on Nigeria roads.

6.4.5 Communication and Workers' Voice

With most of the Nigerian staff reporting to Chinese managers, communications appeared to be problematic in the subsidiary. Relations with expatriate supervisors and managers were reported to often be distant, having an 'us and them' quality. More specifically, the Chinese staff were seen to keep themselves to themselves and constitute an 'in-group'. This sense of relations being marked by communication gaps was reinforced by the fact that access to financial and strategic information was dominated by expatriate senior managers and it was the expatriates who were seen to most regularly receive briefings about such issues. Furthermore, much of this information was supplied in Chinese; a feature that further created a communication divide between locals and expatriates. However, some interviewees did make references to the availability of an app that could be used for translation purposes.

Communications appeared to be potentially further hindered by the dissatisfaction already mentioned that many local staff felt regarding how they were treated in the company. Their dissatisfaction was captured by the following philosophy voiced by a local member of staff in relation to the issue of the training he had received:

'……learn all you can from them, ensure you survive in order to take your knowledge, skill and training to the more established and better paying western organisations like Julius Berger' (Nigerian construction worker).

While BBB Construction workers qualified for membership of the Nigeria Labour Union, the union had no official representation in the company. Thus, formally, the company did not recognise a union or allow the unionism of its staff. This is notwithstanding that the Trade Unions (Amendment) Act of 1978, as mentioned in the previous chapter, states that organisations with more than fifty members of staff should allow their workers to join a union if they wish to do so.

Nevertheless, individuals had apparently taken it upon themselves to pay and belong to the union, with some even taking up elective union positions to help better the lot of staff. In addition, all levels of local staff, including administrative, executive, technical and professional personnel were said by interviewees to have raised issues with the union regarding such matters as remuneration, terminations of appointment, the provision of transport, and, perhaps particularly, standards of safety and demands for compensation for staff injured and killed at work, for example, in respect of burial costs. The following quote from a local member of permanent staff usefully summarises this situation regarding union membership and representation:

> *minimum wage for us and most time when the organisation does not listen to our continuous plea for better safety equipment and health guidance we seek help from the trade union on how best to go about it …. when we say they emphasise training too much we mean training has not been well given in terms of health and safety for instance…our Federal Government is not helping on such issues as they fail to see beyond the benefit of Chinese organisations'.* (Nigerian construction worker).

6.5 Summary

This chapter presented the findings of this study's second case study, one focussed on a company referred to here as BBB. It has revealed the company to be the construction arm of an international state-owned conglomerate encompassing construction, hospitality and oil services activities. More specifically, it has reported how BBB emerged as part of the group of construction companies that were doing well in China and which the Chinese government subsequently invested in to support its international expansion, initially through their involvement in foreign aid programmes. BBB's entry into Nigeria in the mid-1980s was in line with this, as was the decision to formally establish a subsidiary in the country in 2000.

In common with the composition of the parent conglomerate's board of directors, all eight directors of the Nigerian subsidiary had from the outset been Chinese and it formed the decision-making body of the company. Two Nigerians had been appointed to 'director' positions in the second tier of BBB's management but played no direct role in strategic decision-making in the subsidiary. They did, however, have a strategic role with regard to integrating the company into its local external cultural and socio-political environment. For example, complaints relating to matters like the non-representation of the local workforce in the overall management and the low recruitment of Nigerians to the permanent workforce were, for example, channeled through them.

Initially, staffing in the subsidiary had an expatriate focus. After complaints to the Nigerian political pressures, BBB employed a larger

proportion of local staff. Much of this expansion had been through increasing their presence among the casual contract workers who made up a large proportion of staff and were recruited indirectly through employment agencies. Thus, it remained the case that Nigerians made up only 10% of the full-time permanent workforce. Part of the reason for this appeared to be the influence of guanxi and how the employment practices of a large state-owned company continued to embody an over-hang from China's past system of life-time employment.

Recruitment in BBB consequently occurred through two different channels, namely open recruitment involving the making of application to a central, corporate-wide online platform, and subsequent appointment through a formal and centrally determined selection process. It included amongst others the appointment of contract staff through employment agencies. The centralised nature of this first process reflected more generally an approach whereby the management of human resources was conducted in accordance with centrally laid down policies. Some adjustments had been made locally, however, to those concerning performance appraisal, promotion and training. The general impression also emerged of the company adopting a highly functional approach to the management of human resources based on providing and doing the minimum needed to enable organisational objectives to be met. The arrangements in place for training, for example, seemed to typify an approach of this type.

There were indications that Nigerian staff perceived themselves to be treated unfairly when the same time, it appeared that the high level of

unemployment meant that the company was still able to employ (via employment agencies) graduates on a casual contract basis.

While BBB did not recognise a union or allow union membership (contrary to relevant Nigerian legislation), those interviewed reported that some workers joined the federal union and were active in the relevant union. Local staff also credited the national union (alongside the Nigeria directors) for raising awareness of their plight. Thus, it appeared that the union had played an active role in raising complaints around a host of issues including ones relating to remuneration and safety. It was further suggested that BBB had at times addressed concerns in the face of government pressure, which itself reflected the government's own vulnerability to union pressures and campaigns.

There were signs therefore of the subsidiary adapting their human resource policies in response to union and government pressures. In general, however, what was more apparent was that the policies in place reflected a combination of central determination and a willingness to take advantage of opportunities to minimise labour costs in an environment that did little to constrain such an approach.

CHAPTER SEVEN: CCC Manufacturing Company

7.1   Introduction

The objective of this chapter is to give an account of the findings obtained from the third case study organisation, a manufacturing company referred to in what follows as CCC manufacturing. The chapter commences with the provision of background information on the origins and activities of this privately-owned company and the development of its Nigerian subsidiary, including its organisational and management structures. Details of the subsidiary's HR function and the degree to which its policies and procedures are centrally determined by the parent company are then provided. Following this, attention is paid to the nature and operation of the arrangements in place in relation to recruitment and selection, performance appraisal, reward, training and development and communication and workers' voice.

7.2   The parent company and its Nigerian subsidiary

CCC is a Chinese manufacturing company that specializes in the production of a vast range of plastic goods. It is currently run by the two sons of the company's founder. Today its operations have expanded to encompass subsidiaries in Europe, Latin America and Africa. The company's involvement in Nigeria began when it was approached by an indigenous Nigeria company to supply raw materials for plastic production. This arrangement went on for a while, but the Nigeria Company eventually closed down due to inadequate power supply and management. CCC then offered to buy the company as it saw an opportunity to expand its business in Africa given the continent's

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booming populace. The venture did not work but the older brother saw an opportunity in Nigeria and therefore decided to partner with the ruling military regime to establish CCC in Nigeria.

The venture included a shareholding agreement whereby stocks were allocated to the military men immediately after the company was incorporated in Nigeria. Kano was thereafter chosen as the preferred location because, unlike Lagos (the then capital city), electricity supply was constant and cheaper, and the cost of production was lower. Kano was additionally preferred because it was the home-state of the ruling military junta who saw CCC's coming as creating job opportunities for their ethnic people.

The Nigeria subsidiary started in 1978 with the production of latex (plastic or rubber) footwear in a factory located in the outskirts of Kano, the capital of the same named Nigerian state. The establishment of this factory was closely followed in 1979 by the creation of another one in the same city focused on the production of household plastic items like cups, plates, bottles, buckets and plastic cutleries. A third factory, also based in Kano, came into operation in 1981 for the production of a variety of steel and industrial wares. The three factories in Kano are all production sites although all the raw materials are imported from China.

without paying excise duty and allowed them to locate their factories in two cosmopolitan cities, Kano and Lagos. In return, the now retired, military men were allowed to appoint board directors to protect their interest and acquired shares in the company. In fact, the vast land in Kano that made the branches possible were all bought from the retired generals.

The subsidiary in Nigeria is now the biggest of all CCC's overseas subsidiaries. Today, it has a workforce of around 20,000 workers, comprising executives, full time workers, and skilled and unskilled contract staff.

7.3   Organisational structure and control

The older brother is the Chairman and Chief Operating Officer (COO) of the parent company. He ranks first in terms of hierarchy although he runs the company alongside his younger brother. Both sons are listed as co-founders and their late father as founder. The younger brother acts as the chair of all the company's African subsidiaries and oversees them with two of his three sons and his older brother's daughter. The brothers' two wives are equally part of the family staff and although they are both based in China, they also have their own relatives spread throughout the company's African and other foreign subsidiaries. Indeed, as is explained further below, members of the extended family are employed throughout the company's operations internationally. The two brothers own 50% of company shares and another 20% are owned by members of the core family clan, or 'in-group'. In fact, members of this group are listed on the company's letterhead, just like members of the board directors, to signify their importance and relevance. They also continue to dominate decision making both at the level of the whole company and in terms of overseas subsidiaries. Thus, those in the in-group function as a second layer of authority and in subsidiaries like the Nigerian one they are more involved in decision-making than local members of the board of directors, irrespective of their status and designation in the company. A Chinese

director, for example, observed that:

'*Decision making emanates as a thought by someone, deliberated upon usually by the family first and then to the extended larger group …CCC remains committed to core-family values and I will be the first to say that there exists an inner caucus whereby issues are deliberated upon, eliminating worthless steps before they even get to the board. I will also be the first to say it works in terms of taking decisions that influence everyone in a structured way*'.

CCC offers life-time employment to family and in-group members. Their employment is never terminated, except if they leave to join other associate companies or establish their own companies. The depth of connections between the company and the founding family is well captured by the following quote from the older brother's daughter, the company's chief Finance director and high in hierarchy:

'*I looked forward to working at the company since I was a child like every other family member because we saw that our grandfather built a legacy, we are equipped with strong family ties that extend beyond our nuclear families and are built solidly on loyalty to brand and people, assurance of work for life*'.

Despite this familial dominance, the Nigerian subsidiary does, as already noted, have four local directors who are representatives of the military personnel that supported the company's entry into Nigeria and are therefore stakeholders in the company. Their presence also, however, arguably reflects the fact that under Nigerian environmental law manufacturing companies' proxies as board members, mostly their own children and protect their shares by looking into issues that may affect the company, such as various safety and staff welfare issues that have bedeviled the company (see further below). For example, after the company was fined by the Government of Nigeria in respect of the high pollution generated by its factories and the improper disposal of plastic

waste, it stopped providing plastic bags and water bottles to some Nigeria schools after the directors argued that they should invest in Aerator services for the community that had felt the effect of their toxic by-products. The extent to which the directors acted to protect worker and community interests was, however, questioned by some of those interviewed, one Nigerian production worker, for example, observing that:

'*The Nigeria directors think of themselves first before us….*'.

The Chair of the subsidiary holds regular meetings with family members and the in-group in advance of meeting the board of directors. The family meetings are with his own wife, son and nephew. The in-group meeting includes the family, his cousins and other relatives. Expatriate members of the 'in-group' head the four departments, namely Manufacturing, Finance/Compliance, Sales, Corporate services and HRM and along with the four local directors make up the subsidiary's board of directors. The Nigerian directors act like consultants to these four departments, with each director being the advisor to one of the departments. Hence a local Nigeria director will see himself as being primarily aligned, for example, to the Sales department and advise it on relevant Nigeria legal and social issues. This does not mean though that the departmental heads report to them nor that they have regular direct communications with them. The four departments all have expatriates as their designated head of department. Each have two or more constituent units. For example, the manufacturing department has two units, namely manufacturing and assembling while the Sales department has three units. Each of these sub-

units are also headed by expatriates. The remaining departments of Corporate Services/HRM, and Finance and Compliance have two units that are headed by Nigerians, who represent the most senior of the local employees in CCC, aside from the non-executive directors.

Figure 7.3 CCC Organisational Structure and Control
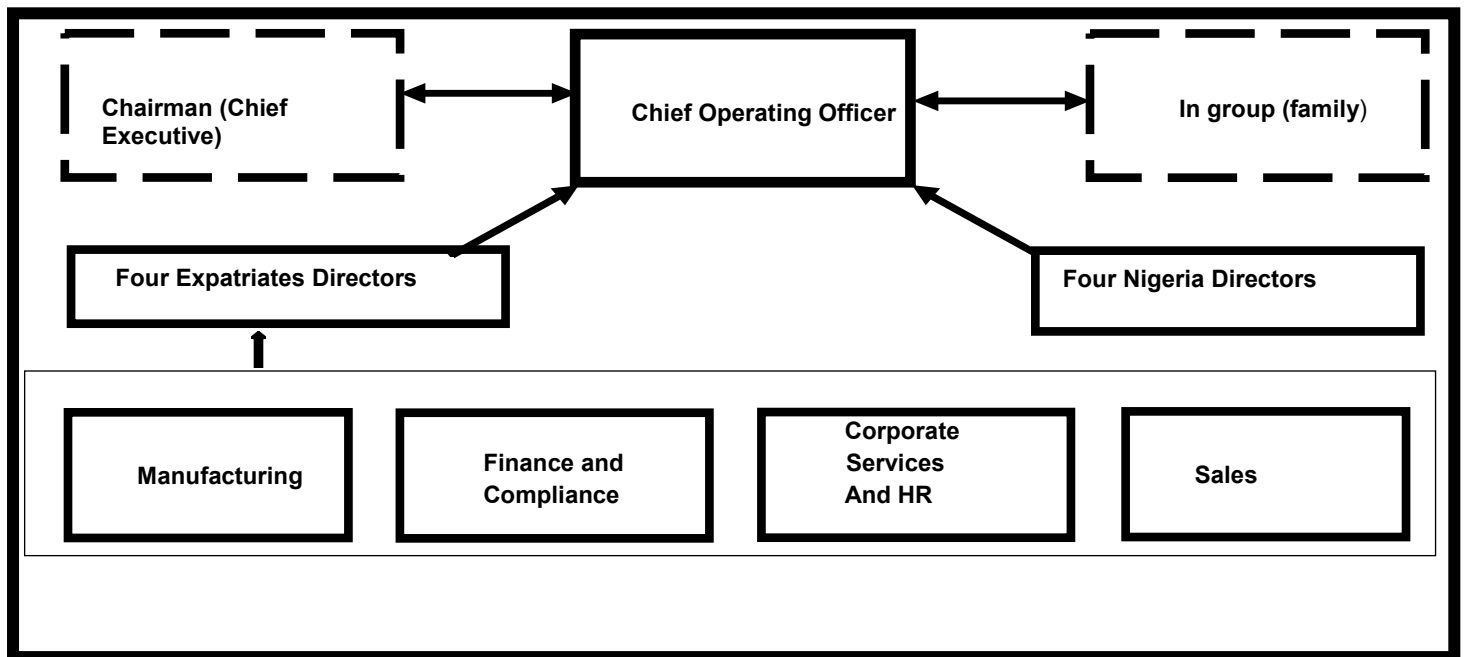
The overall management style of the company is therefore marked by a strong commitment to family relationships and shared decision-making embedded in notions of friendship, loyalty and trustworthiness to family members in general and the 'in-group' in particular. Decision- making can also be seen to be highly concentrated among the two sons of the founder and their close in-group family. These features can be seen to have been usefully summarised in the following observations of a Chinese manager:

'*As a family, the brothers are devoted to their brand name and despite the criticism about this, it works as evidence from the years of manufacturing and the thriving business. Subsidiaries are aligned with headquarter in China in terms of policies and collective strategies. The norm is that overall decision-making lies with the family and extended family members. This is notwithstanding Nigeria and other subsidiaries where cultural and social norms are taken into planning and eventual implementations but at the dictate of the family. When suggestions and support come from the local directors the eventual decision represents the choice the family has to make….*'

7.4   The Nature and Process of HRM

This section initially presents the structure and nature of the HRM function in the Nigerian subsidiary. Attention is then paid to the arrangements in place in relation to recruitment and selection, performance appraisal, training and development, reward, and communication and workers voices, along with some of the key factors that have influenced them.

The HRM Function and its Activities

Figure 7.4 below shows that the Human Resources unit is a part of the wider corporate services department. The HR is a unit that has four subsections dealing respectively with Recruitment, Training, Welfare, and Pay and Reward.

Figure 7.4: Structure and organisational of HR unit
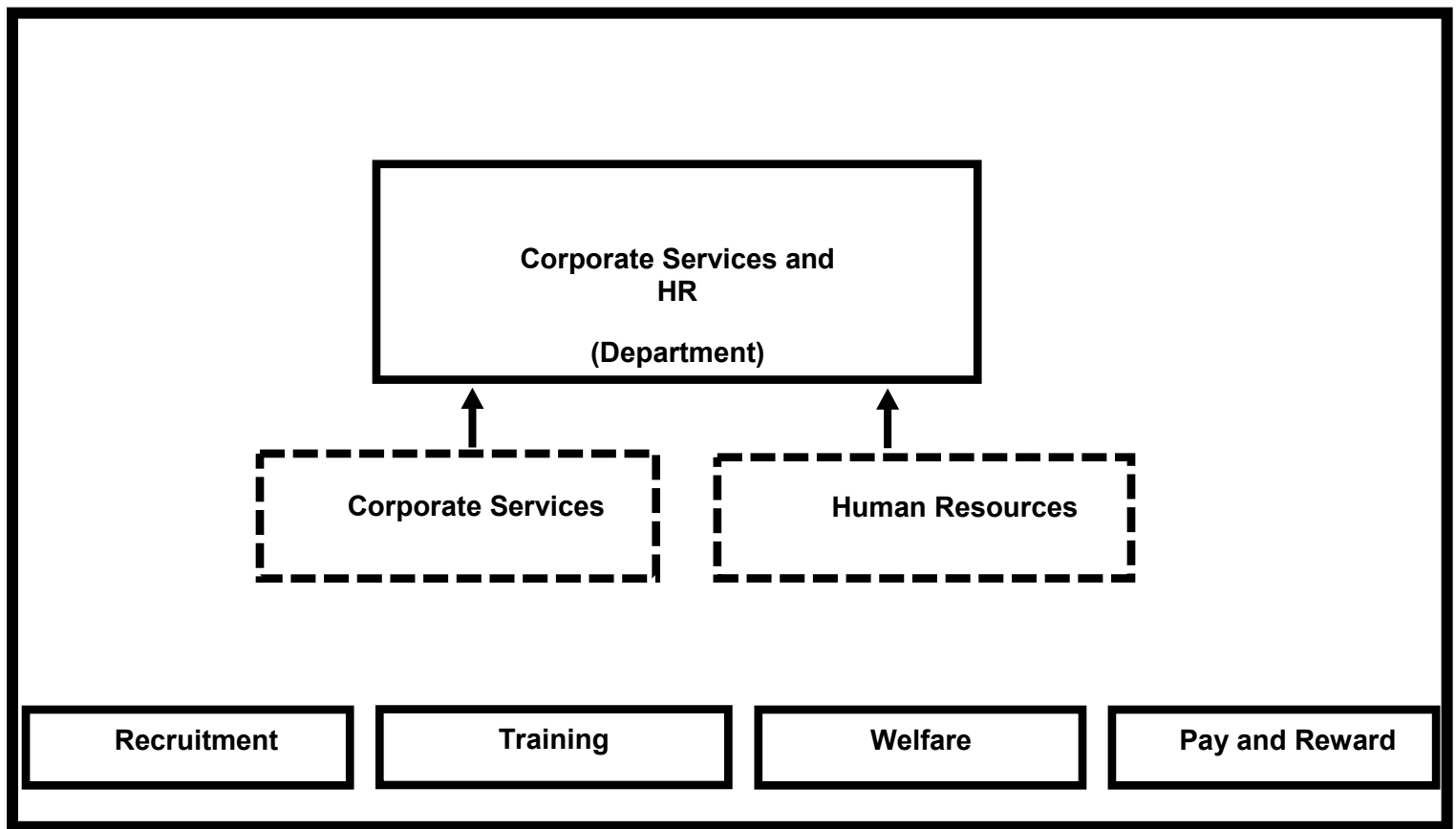
Certain HR activities are centrally determined. For example, all the branches use the same appraisal format, conduct appraisals bi-annually and operate under the same payment and reward system. In contrast, in the areas of training and recruitment the local branches have some discretion, subject to headquarters oversight. With regard to expatriate recruitment, however, the parent company headquarters will also be involved and have the final decision.

In contrast, the parent company, at least formally, decentralises to subsidiaries matters relating to unionism and worker voice.

While the Corporate Services and Human Resources unit heads, like other unit heads, are based in the Lagos head office, each of the staff members

performed duties in the Kano manufacturing branches. Specifically, CCC has 45 HR staff, of which 26 are based in Lagos, and the rest in the northern branches.

As mentioned above, the overall unit head of HR is a Nigerian who reports to the expatriate Director of Corporate services and HR. This reporting line is intended to ensure an appropriate convergence of decision making in the human resources area. When activities are decentralised, the reporting line therefore makes it mandatory that proposed actions need to be reported and approved. A senior Chinese manager explained these processes of decision-making in the following way:

'*We operate a policy that make us think global in our approaches and guides our actions. For instance, our centralised decision-making process encourages strategic planning and enables prompt responsiveness in a highly competitive environment. The ability to do this sustains the brand, enable us to act swiftly and validates our strategic implementation. We are however locally guided; hence we adapt and adjust to local needs by decentralising approaches and schemes when necessary. We have amongst other things varied working hours and decentralised the appraisal process in Nigeria, which is now different from what is operational in headquarters. In all this our policies remain the same ... build our trust on the collective decisions of the founding fathers…… We know sometimes people find prioritising trust and loyalty above actual performance difficult to understand but we built our strength on this and continually grow on these same principle….*'

7.4.1 Recruitment and selection

Over 40 per cent of those working in the subsidiary are expatriates who include members of families of the two brothers. It appeared clear that there was a strong ongoing commitment to this reliance on expatriates with family connections. This seemed to reflect related beliefs that it supported the production of excellent products and high customer satisfaction, the generation of good and innovative ideas that would continually move the

brand and company forward, and the presence of staff who could be trusted to prevent product adulteration and imitation. For example, attention was drawn to the fact that expatriates can be repatriated back to China in form of transfer or recall and in this way, headquarters maintains control over them and in the same way they supply raw materials for use in the Nigeria subsidiary. More narrowly, such staff were seen to help maintain uniformity of production. Staff in the company's headquarters were recruited through both formal and informal means, with the use of the latter reflecting the role that family connections play. Key positions such as head of departments, supervisors and managerial roles were primarily recruited from related families, with word of mouth, family meetings and inter-personal conversations effectively serve as advertisements for such positions. Affirmation that such candidates had the necessary skill/qualification would then be followed by an application. The application comprised a one- page write-up on why applicants want to work in CCC. Applicants gave possible dates when HR can call them or otherwise involved them in a semi-formal meeting with one of the two brothers. Subsequently, interviews were conducted at which details were given of relevant job functions and the needed training for their designated roles. Those appointed usually had their employment secured for life and benefit from core manufacturing training irrespective of their qualifications and the units in which they will work. They would also usually be recruited one step higher than non-family members working as professionals in the same units. In-group members would be separately trained by senior members to take on roles exclusively created for them. These roles were

usually in production and were therefore ones that were seen to require trust.

CCC similarly recruited top management staff through applications submitted by close relatives who were already members of staff. These applicants who could have experience with affiliates of the company and within the in-group. HR thereafter got in touch with applicants to submit other necessary documents like two references, including from the senior member of staff who desired that their relation work in CCC. The human resources department then conducted pre-interviews and arranged meetings with the top executives. Selection at this stage equally followed the same semi-formal pattern whereby successful candidates would be chosen based on how strongly they were connected to the family, their experience with other family companies, and the knowledge and skills they possessed.

Such a process of recruitment of course contrasts sharply with standard Western practice, particularly in terms of the way in which posts were not advertised for all.

In discussing the virtues of such an approach, a Chinese operations manager said:

'Recruitment and selection of the right people is very strategic to CCC. It is a family business where core values are embellished in loyalty more than knowledge. We believe everyone is trainable, but trust is in born and not earned by virtue of your performance alone ...we train and retrain ourselves to bring out and perform the best ...family members hold the structures and traditions of CCC together...we do not compromise on loyalty'.

In a similar vein, a Chinese HR manager said:

'Strategic positions are never advertised outside the family base although

there is a recruitment pool whereby applications are submitted to authenticate applicants……trust and loyalty to the brand remain the benchmark and are definitely prioritized higher than any other qualification because CCC will train such individuals to attain excellence'.

The recruitment of local staff to permanent positions was done through a very similar process to that used in China to recruit non-family members. Skills, educational background and personality were all considered during a process that involved the advertising of posts, the initial screening of applicants, preliminary phone or oral interview, and more formal interviews.

More specifically in the Nigeria subsidiary recruitment of staff to fill non-strategic positions was done through advertised roles in the media and through specific universities and schools offering technical curriculums. Here recruitment and selection followed a more formal western style approach. Candidates' qualifications and personality all took high priority, although experience in a related family business could carry persuasive weight. Thus, applicants were initially screened for suitability, went through initial phone or oral interviews, attended interviews and undertook all required tests. University graduates were usually considered for managerial and assistant manager jobs. Those appointed passed through the six-month probationary period. A Nigerian member of HR staff described this recruitment process in the following terms:

'Recruitment CCC and Selection in Nigeria is relatively standardized if we take out the in-group family recruitment which is work for life. CCC work mostly with technical schools and our staff mostly come from these accredited universities and technical schools. Posts are advertised in

> *three newspapers Guardian, Punch and This day although we use these*
> *schools also to advertise posts. Preliminary meetings are organised to*
> *access candidates' physical suitability. Interviews usually follow and the*
> *unit head and Departmental head of the section recruiting conduct the*
> *first course of interviews. Afterwards HR conducts technical and*
> *aptitude tests as may be necessary. The second course of interviews*
> *usually require an on-the-job test and an assessment of social skills as*
> *CCC lays emphasis on communal and team spirit.'*

accountants, customer service personnel and drivers. In general, Nigerians are mostly recruited to do relatively menial jobs despite having qualifications that could have been used to get better jobs. CCC as a company does not encourage locals to downgrade their qualifications but they are aware that the company benefits from the practice since most of their local staff, although lower. Some Nigerian graduates were also employed under a 'plastic for life' initiative forming part of a social responsibility programme. Those so recruited were trained in China and offered employment on completion of their programme. So far CCC had employed over 50 staff through this scheme, with these made up of 25 Engineers, 10 accountants, two medical doctors and 13other professionals such as psychologists and linguistics. Those recruited were free to leave the company after an initial five years of mandatory employment. Nearly all of the 50 workers were still in the company.

In contrast, the much more numerous contract staff are recruited indirectly through employment agencies, an approach that an HR interviewee claimed was adopted on the grounds that recruitment through these means was cheaper and more time efficient:

> '*we depend on agencies to provide us pre-screened and selected*
> *candidates rather than waste valuable time recruiting contract staffs …we*
> *have had complaints in the past as contract staffs want the same privileges,*

but we always resolve issues amicably…' (Nigerian HR officer)

Such casual staff rarely have the opportunity to obtain permanent positions. Their job security and terms and conditions are also worse than those of permanent colleagues and particularly expatriates. One such worker, for example, observed that:

'*Our employment with CCC is very shaky, we are not like their staffs who get all the benefits*
yet get the work done. They will say we did not sign contract with them but with the agency, but the agency will tell us we are recruited to work with CCC and if CCC terminates our appointment by sending us back to them, that is the end of the road.' (Nigerian production worker).

In a similar vein, a Nigerian contract technician reported:

'*We have issues bothering us on how we are treated and our salaries as we are just within the minimum wage cover. They will say we go through our agents, but they know we were employed to work in CCC. We are not like the staff they employed themselves…*'.

Concerns were further reported about how in the urban areas around Kano the company recruited rural farm workers informally as contract staff through their community leaders, known as Hakimi. Under this system, recruitment occurred via direct communication with the Hakimi about the company's needs. Selection, it was reported, tended to be based on how well 'applicants" responded to questions, their physical strength and whether they had family dependents. It was also reported that young adults and children were preferred because they had lesser responsibilities and ties. In relation to the selection process, for example, the president of the National Union of Chemical, Footwear's, Rubber, Leather and Non-Metallic Products, Boniface Isok argued, in the face of company denials, that:

'*CCC recruits under-age workers in its factories and has prohibited union activities It uses*
village heads and other slave merchants to enforce dehumanizing activities and makes indiscriminate use of security agents to harass and brutalise workers.

This was partly attributed to the previously mentioned use by agencies of Hakimi to recruit non-Muslim staff on low pay and in potentially discriminatory conditions. It was also seen to reflect the Northerners dislike of shift work because it prevented them from observing the Friday 's Jummat service in their local mosques and praying grounds.

A senior Nigerian engineer (and non-Muslim), said in relation to this:

'*The Hausas want to have the whole of Friday to themselves and when we even compromised on half day, they do not show up for work at all on Fridays. Production is being delayed and we cannot meet targets. We nearly lost a major North Africa market due to this religious conflict…. we have to make a decision and if any Muslim wants to join CCC the doors are open, but business has always been before pleasure….*'.

7.4.2 Performance Appraisal

In China performance appraisal processes were reported to favour-group-based achievement and to accentuate a focus on internal equity and harmony. In line with this, many of the qualities assessed did not directly relate to job duties but values and beliefs which were accorded a higher weighting than measures of individual performance and efficiency. Accordingly, communal values such as *Zhong* (loyalty) *Xiao* (piety), *ren* (benevolence), *ai* (love), *yi* (justice), he (harmony) and ping (peacefulness) were viewed to be of great importance. These were done using a 360 degree all round appraisal format which involved appraisee's being evaluated by their superiors, co-workers and subordinates in relation to such matters as leadership quality, team spirit, problem solving,

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commitment to task/s, accomplishment of goals, social skills and loyalty to the company's brands. More junior workers might though not be assessed by subordinates. Instead, colleagues are chosen to make appraisal comments in a style that resembles writing a reference for the person concerned. Appraisals in CCC were therefore informed by a collective notion of performance and focused on shaping employee's self – identity, values, and beliefs. The following quote from a Chinese HR manager captures both the nature of this appraisal process and the thinking informing its use:

'CCC adopts the 360-degree appraisal process to enable us to capture through appraisal how our core values are individually and collectively accepted as a company. It equally supports how we prioritise communal relationships, team spirit and loyalty as our 'can do spirit' of togetherness for better achievement. The appraisal form is designed to capture the appraisee first as someone who exist for others. That is the reason it has superior, subordinates and colleagues' input. The appraisal method is adopted to identify developmental needs of staffs and their own commitment to overall company success. It is not enough that we get the job done now. We are also concerned with how well employees are committed to doing it well. Therefore, the idea of the 360-appraisal process is to engage everyone for everybody. A Superior appraises subordinates likewise subordinates appraise their bosses, and the company reaches set objectives we have set out to do the same in all our subsidiaries....' (Chinese HR manager).

The same interviewee went on to say:

'The appraisal process is channeled towards bringing out the best in employees. It has been designed to have learning and development goals in mind through monitoring employees through getting informal feedback from others, as well as a formal assessment of their core job and in this way developing an action plan. The three-fold objectives of performance appraisal are, first, to build and strengthen work relationships in a communal trust-based environment. Secondly to effectively communicate the organisation's strategic goals and lastly to evaluate employee learning and development progress. The 360-degree method has all these qualities. Competition amongst employees that can lead to disharmony amongst employees is minimized as we encourage more team-based actions although individual employee generated reports, such as on attendance, are used to prevent lethargic work attitudes.

The Chinese Head similarly said:

'The performance appraisal is structured to bring out the best in employees and encourages the involvement of others to have that collective effort and sense of belonging, harmony and love. It is not a betrayal of trust because it does the opposite by revealing the best in individual and encouraging improvement through developing potentials'.

The Nigerian subsidiary use the same 360 appraisal method for the same reasons, notwithstanding that local employees did not work under life-time employment conditions. This difference however was reported to mean that the local staff were less interested in the developmental and learning focus of the system and more concerned with financial performance appraisal paybacks, such as promotion, bonuses and the provision of official cars. This desire also led to complaints from local staff that the terms and conditions of expatriate staff were better than their own, even when doing the same job. Thus, another member of HR staff observed:

'The appraisal process is very good; we get appraised and the process allows other people to give feedback and have inputs which makes us more responsible and learn to appreciate teamwork. It helps us not to be selfish because you have to consider yourself as part of the total company. It is the rewards that most local employees have problems with as intrinsic rewards such as job challenges, taking up responsibility, autonomy and task variations are not available in CCC and anyway they are not as attractive to them as they are to expatriates. So, they prefer financial rewards.

Related views were expressed among the local staff interviewed. Such workers complained more than their senior colleagues because of their greater need for money to support themselves and their families. One of the Nigerian production workers, for example, said:

'We are seen as complaining too much when what we actually do is work too much. All we want is that our rewards be the same with the way we work and in monetary terms. I have been in the company for seven years and I have done the same duty over and over again, what then am I being

trained for? ....Money and promotion are what I need....everyone is happy with the appraisal; we know what each person is capable of doing and we should be able to say this how we should be rewarded...'

Such views were rebuffed by management, with several of those interviewed complaining in return about how Nigerian staff dodged work and used religious requirements to support their tardiness. Eventually however, as a result of the collective efforts of the Nigeria local board members, the Federal union, to whom complaints had been raised, and support from the media, the bi-annual appraisal process was adopted. The idea of this being to increase the possibility of staff receiving performance reviews that would lead to them obtaining enhanced rewards.

7.4.3 Training and Development

Training and development, particularly as a source of innovation and creativity, was formally stressed in the parent company. The older brother, for example, was reported by a local production worker to have stated:

'*What everyone sees now as a chain of businesses are our individual thoughts, our father lived the family way believed everyone can set out to achieve what they desire. My brother was the first to embrace the plastic vision and he set out to work and train under our uncle. He convinced my father who became so passionate about plastic production that he almost abandoned other business. I am perhaps the one who brought everything together.... I invested so much in training and it is my belief everyone is an expert if adequate training is provided*' (Nigerian production worker).

In reality, the company's approach to training prioritised professional and technical personnel and, more particularly those with family connections. Members with such connections attended external training courses and programme. They were then expected to bring their knowledge and skills

back into the organization by passing them on to the colleagues with whom they work. For most staff therefore, the focus was on on-the-job-training. A very functional approach to training was therefore adopted. This approach meant that the company has not invested in its own training centre and placed little priority on generally preparing local staff for career development, leading one local production worker to observe:

'……. they do not have training centre outside the company unlike most of their competitors who are now setting up independent training centres to train and contribute their own quota to Nigeria…. Development to them is the same thing as training whereas it is meant to be more focused and more personal like they do in China. I see no career advancement in that but then ours is not work for life like they have with their families in China'. (Nigerian production worker).

Nigerian staff were reported to love the idea of external training, not least because it gave them time away from their jobs and usually involved them getting paid for the time they were away. Some interviewees also argued that the attendance at such training would overcome problems of language and understanding confronting attempts by Chinese staff to pass on what they had learnt from training courses via on-the-job training. Another production worker, for example, observed:

'I am always scared when any of our tools or machines are changed. They don't pay so much attention to health and safety and usually take some things for granted that we know. Yet they go for external training ………the means of communication which is English remains poor……. It took us a while to convince them that our women are larger, taller and with bigger feet because they kept making small sizes slippers for them. Yet they want us to be trained but we need to train them'.

7.4.4 Reward

As in Nigeria in general, base salaries in CCC for local staff were set in relation to the Federal government's payment structure, the lowest specified grade applies to primary school leavers with either pass certificates or fail testimonials, with the precise pay being determined on a 10-point scale in relation to the number of subjects passed. In reality, however, CCC had no such employees and hence all staff were paid above this level. Instead, the most junior workers in the company had a minimum qualification of a secondary leaving certificate and it was these who were trained as moulders and cooling technicians and engineers.

Once appointed, pay progression for staff depended on experience. This focus on progression through experience meant that a moulder with ten years' experience and without a university education, might earn more than a fresh graduate with a masters who read Engineering. The latter might even be sent to train under the moulder because CCC is a production company and practical processes are involved in day-to-day activities. Hence a Chinese member of HR staff observed that:

'*We have a regulated payment structure that is not just compliant to the Federal Government minimum wage but demonstrates the practical process of CCC. We have university trained Engineers who may have to learn our production method from the more experienced moulder, cooling technicians/Engineer because they have been in the system longer than the graduate. We also live on our production hence we do not put the same trust in a fresh graduate compared to the trusted hands of these experienced older workers. This is irrespective of the quality of training given in-house and the opportunity given to learn new technology overseas as well.*'

In addition to pay, staff receive a variety of other benefits. These include

subsidised canteen food and free transportation to and from factories. Staff further participate in the National medical insurance scheme, which covers the staff in case of accident at work and provides access to medical facilities to spouses and up to four children. Staff who are still single can substitute parents and younger siblings for spouses and children. Financial incentives are also in place to encourage local staff to introduce new customers, such as wholesalers, and generate new business. These incentives appeared to be popular, as the following quote from one member of local staff indicates:

'……the idea that I can look for a customer and earn money is good, especially knowing that the more orders the client makes the more money I earn, it makes me feel useful and the company suddenly does not look like a one-man business' (Nigerian production worker).

Base salaries of locals were, however, different to those for expatriates in all categories. Furthermore, while local staff were paid in Naira (the Nigeria currency), expatriates were paid in dollars. Such staff had domiciliary accounts with the local banks in Nigeria and often withdrew dollars to exchange them at the more favourable rates obtainable from external vendors. In addition, local staff were excluded from certain benefits made available to expatriate staff. To support the development of products and the bringing forward of new ideas, expatriate staff could be rewarded with promotions, bonuses and pay increase in respect of innovations that they were responsible for. A newly recruited university graduate (related to the family through marriage) who created a new type of plastic bag, for example, was celebrated in all the company's branches. The two brothers also ordered that the bag be named after him and he was

made an assistant manager despite having only worked for the company for a year.

Expatriates belonging to the in-group additionally shared in bonuses linked to the financial performance of the company. The two brothers and their families took 50% of the total profit after tax out as a share distribution with the remaining 50% serving as pool and returned back to the organisation treasury to pay bonuses in the form of shares to members of the in-group, as well as expatriates and members of the board of directors.

This segregation of 'they' from 'us; did not however go down well with the locals. It therefore contributed to a more general dissatisfaction among local staff regarding both the nature of their rewards and how they compared with those of expatriates, with one local member of staff commenting that:

'*Nigerians staff once stopped working because the disparity between us and them became very obvious and some of us were not happy about it. Why should we put in the same work and they get rewarded better than us*? (Nigerian office worker).

7.4.5 Communication and workers' voice

Notwithstanding the company's family-based ownership and the extent to which its operations and staffing were marked by family connections, relationships with local staff could not be said to be completely harmonious and peaceful. This was despite claims to the contrary. Indeed, Nigerian and Chinese staff interviewed appeared to often hold negative views of their counterparts. For example, Nigeria shift workers

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complained about how they were required at times to work weekends

contrary to their religious beliefs, one local member of staff commenting:

'*They do not recognise holiday periods and staff downturns resulting in management/employee clashes, usually around festive periods…. Tired and overworked yet without overtime pay, staff desire to rest and be with their families as is customary to Nigerians'. (Nigerian production worker).*

Chinese supervisors and managers, however, viewed such complaints as

being those of 'lazy' people who prefer to enjoy life at the weekend rather

than working in a factory. Thus, a Chinese senior manager commented:

'*Nigerians love enjoyment, enjoyment in the morning, afternoon and night…. there is no food for lazy man they must work….'.*

Some of the managers interviewed argued that such tensions reflected a

clash between local cultural values and the demands of 24 hour, seven days

a week, production. For example, another Chinese senior manager

observed:

'*Nigeria being a hub gets 24 hours production most of the time and they run three shifts. It is difficult therefore to see workers observing Federal government declared holidays because we*
run shifts…festive periods are employee's busiest periods because those are the time when demands are high for our products and sometimes, we run double shifts so that a worker can work sixteen hours instead of eight hours …These long hours especially during festive periods result in employees/management clashes.'

In a rather similar vein, a senior member of HR staff said:

'*The local workers still see their normal shift working as working overtime and feel it should be rewarded differently from their monthly salary…this is the same with holidays and their own cultural affiliation day……so when they work on those days, they will classify them as overtime work when in actual sense it is the policy of CCC…they forget they have signed offer letter and most of them will have not read the staff book.' (Chinese HR manager).*

The brothers were seen to appear ignorant of criticisms of how the

company treated its local staff. Such treatments mentioned in the press and

by interviewees included, as already partly indicated earlier, the employment of under-aged people, the denial of workers' right to organise in unions, and abuse of statutory provisions limiting the use of expatriates. They also encompassed alleged poor occupational health and safety standards, a refusal to settle/pay compensation in the cases of workplaces accidents, the indiscriminate termination of employment without recourse to due process, the use of religious and tribal differences to create disunity amongst workers and the imposition of uncompensated compulsory over-time. Complaints about employment conditions were, in fact, voiced by a number of the local staff interviewed. One factory worker, for example, stated:

> '*We work under extreme situations without adequate provision for safety equipment. For instance, they give you one pair of safety boots, overall and helmet per quarter. Sometimes we have to buy our own as the quality is not really good. CCC can produce better safety goods as our products are durable….*' (Nigerian production worker).

Alongside such complaints, interviewees further complained about how they were treated unfairly in relation to their expatriate colleagues. For example, it was noted that when expatriates were reprimanded, they might suffer pay deductions or forfeit of overtime allowances. In contrast, locals were usually sacked or suspended without pay.

> '*Our company has been operating in Nigeria for over 45 years employing thousands our factories operate on high standards of industrial safety and observe best practices…. every employee who works overtime is paid in accordance with the labour regulations and governing collective agreements….*'.

It was reported that some years ago worker complaints concerning such issues as rewards for shift working, the observation of national holidays, the payment of overtime when staffs work on those days and matters of

health and safety had been brought to the attention of the then minister of Labour Prince Adetokunbo Kayode, by the National union. Subsequently, several meetings were organized between the national union and the ministry to resolve the issues and make CCC more employee friendly. It was however reported that rather than look into the levelled complaints, the company clamped down on union organization and paid off workers that were affected with nominal severance pay.

At the time of the research there had apparently been talks taking place about institutionalising trade union representation in the company. These though ultimately came to nothing, the Chinese chief Engineer in Lagos attributing this to the fact that they arose more from action on the part of the Chinese government than the wishes of the company. Certainly, in interview, another senior Chinese member of management commented that:

'*We have made our intention known that the company does not want to be unionized but we allow our staff to join the National body as stipulated by the Federal Government of Nigeria. CCC respects the law of the land and will always cooperate with appointed leaders.'*.

It was further clear that, partly as a result of political pressures, the company did have extensive dealings with the NUCFRLNP in relation to complaints referred to it by staff because of pressures exerted on it by the government in response to union representations to it. In many cases it was reported that the issues concerned were settled behind closed doors between the local Nigerian directors and Chinese headquarters management. As indicated above, however, the dealings were at times marked by a good deal of conflict. For example, the company was reported to have gone to court to get the union banned from coming on to

its premises and sacked workers for contravening undertakings they had given not to join the union, as the following quote from a local member of staff illustrates:

'*CCC promises its own co-family work for life and should do likewise in Nigeria as workers are by extension their in-group family as well…it is true that CCC went to court to stop the union members coming to their premises and sacked staffs who were unionizing. Yet they said they give us free hand to join.*' (Nigerian office worker).

7.5   Summary

This chapter presented the findings of the third case study, a privately-owned plastic production company, referred to here as CCC. It commenced by tracing the evolution of the company from its beginnings as a family business based in Hong Kong selling shipping materials. In doing so it highlighted how, following a move towards exporting plastics goods to China, the company commenced operations in China, where it now is headquartered. Subsequently, it has established subsidiaries across the world, including in Africa, and has expanded its activities to encompass not only a wider range of plastic goods but also steel based products. More specifically, the chapter has noted that the Nigerian subsidiary in which the research was subsidiaries. CCC was found to be a company that has remained predominantly family owned, notably through the ownership of the two sons of its original founder. Family members and relations were also found to occupy senior positions in the company and to dominate decision-making, as well as more junior managerial and supervisory positions, both in China and abroad. Such staff were further found to continue to be covered by a lifetime employment system.

These patterns of ownership and staffing had a number of important implications for decision- making and staffing in the Nigerian subsidiary, as well as in other parts of the company. Processes of decision-making were very much controlled through familial connections and more particularly the two sons, one of whom acts as COO. This was in turn was facilitated by a heavy reliance on expatriate staffing made up of both close family members and more distant relatives who together form part of a wider 'in group'. Four Nigerians, former army officers under the former military government, serve as directors by virtue of the role they played in facilitating the company's entry into the country, as well as legislative requirements. They though are non-executives and play no role in the subsidiary's day-to-day management. They do though act as a bridge through which wider public and political concerns can be brought to the attention of the Chinese management.

In terms of the management of human resources, the subsidiary has a well-staffed specialist function headed by a Nigerian manager who reports to one of the expatriate directors. Many of the expatriate staff continue to be covered by a life-time employment commitment. Indeed, such overseas postings provide one way of the parent company honouring this commitment. In contrast, the majority of Nigerian staff occupy relatively junior production orientated positions, and many were recruited on a temporary contract basis via placements from employment agencies and informally through community leaders.

Representatives of the company claim to maintain good employment standards and, more particularly, to abide by local employment laws. The

relevant trade union, as well as some of the staff interviewed, however, voiced a range of concerns about the subsidiary's employment practices. These concerned such matters as poor health and safety standards, the employment of under-age workers, indiscriminate dismissals and breaches of the legal rights of workers to organize in unions. At the same time, it emerged that the company did engage with the union, partly as a result of political pressures, in relation to such concerns. Relations between the union and company appeared, however, to be often conflictual and marked by collective disputes.

Local Nigerian staff claimed to receive less generous and fair treatment relative to their expatriate counterparts. It also appeared that formal and external training opportunities were concentrated on the often family connected expatriate staff. As a result, local staff were primarily trained on-the-job- by expatriates, drawing on the training that had been provided to them externally. Local staff employed on a permanent basis were though covered by the same appraisal system as their expatriate counterparts and were recruited through the same processes as those which applied to non-family-based staff in China.

Overall, the subsidiary could not be claimed to have adopted a sophisticated, western styled human resource policies and practices. Rather, it operated on a low-cost employment model involving substantial use of temporary and casual staff in an environment where it was legally (and opportunistically) possible to pursue an approach of this type.

CHAPTER EIGHT: OVERVIEW AND COMPARISON OF CASE STUDIES

8.1   Introduction

The previous three chapters detailed findings from the individual case companies. This chapter moves on to compare and contrast the findings from the three case studies in relation to the human resource policies and practices utilised, how local staff responded to them, and the factors that appeared to have exerted an influence over these responses, as well as the policies and practices adopted. The chapter is divided into three main parts, which respectively explore the entry into Nigeria of the three Chinese parent companies, the governance of their Nigerian subsidiaries, and how human resource management was conducted in the subsidiaries. This last part is in turn sub-divided into sections examining the issues of recruitment and selection, performance appraisal, pay and rewards, training and development and communication and worker voice. The chapter ends with a concluding discussion that draws together the main points of similarity and difference to emerge from the preceding analysis. An Appendix at the end of the thesis summarises the key findings from each of the case studies.

8.2   Mode of entry

In this section the main similarities and differences regarding the rationale and nature of the companies' entries into Nigeria are compared in terms of business motivations, and the role of governments.

collapse, the decision was taken to buy the company concerned. Although this initiative failed, the Chinese parent still decided that Nigeria offered valuable business opportunities and so established a subsidiary in partnership with the then ruling military regime that incorporated a shareholding agreement. Local political considerations furthermore played a role in the decision to base the subsidiary in Kano, since this location not only offered some financial benefits but constituted the home-state of the ruling junta.

Local political considerations similarly influenced AAA's entry into the Nigeria market. Thus, representatives of the military played an important role in facilitating the establishment of the subsidiary. Meanwhile, perceived hostility to the Chinese in the Eastern part of the country due to the role that China played in supporting the then government during the Biafra war at the end of the 1960s informed the ongoing unwillingness of the parent company to set up a branch in that part of the country. More widely, it also appeared that the fact that the parent company's owner was a retired Chinese Army General who helped gain internal political support in China for its expansion into Nigeria.

While in the cases of AAA and CCC, the parent company's expansion into Nigeria was aided by the Chinese government's Open-Door policy, in the case of BBB the influence of it was much more pronounced. Thus, the construction part of this large international conglomerate was actually established by the government in support of the policy and to also support the infrastructure elements of aid programmes, for example the building of airports, railways and roads that it was developing across Africa in

support of its wider political and economic objectives. This in turn meant that the establishment of its Nigerian operations was paved by a programme of mutual 'win-win' collaboration between the Chinese and Nigerian governments.

8.3   Subsidiary governance

These political influences were reflected in the central governance of two of the subsidiaries. In AAA an independent body comprising representatives of the military men who aided the company's entry into Nigeria existed and met regularly with the COO. In addition, these were also effectively represented by the local Nigerian member of the board of directors that was required to be appointed by law. In a similar vein, CCC had four local directors who were representative of the military personnel who had facilitated its entry into Nigeria, while similar arrangements were in place at BBB.

Notwithstanding this formal position, it was apparent that decision-making in each of the subsidiaries was dominated by locally appointed Chinese directors and headquarters more generally. Indeed, in the case of CCC not only was the board of directors dominated by members of the founding family, but it was reported that members of the 'family in-group' constituted a second layer of authority and, in fact, were more involved in decision-making than the locally appointed Nigerian directors. This Chinese domination of decision-making can be noted to have existed in the context of the existence of a high degree of integration between the activities of the Nigerian operations and those of the wider parent companies. AAA was, for example, highly dependent on the China

headquarters since it only assembled parts that were largely supplied from China. As a result, its products were marked 'made in China'.

BBB similarly imported most raw products from other parts of the wider parent conglomerate. Similarly, again, CCC relied on the parent company for the supply of the raw materials it used in the production of household plastic items, with the products having tags stating, 'produce of China, assembled in Nigeria'.

At the same time, the centralised nature of decision-making in the three-case study organisations also reflected a philosophical or cultural preference among the senior managers of the parent companies. For, as shall be seen, such decision-making existed alongside a further preference to rely heavily on expatriate staff.

In short, each of the three case studies were marked by structures and processes of centralised control. Where local Nigerian directors existed, they were found to play a relatively minor role in day-to-day decision-making, with their presence largely reflecting legal requirements and political considerations related to how former military personnel had facilitated the entry of the parent companies into Nigeria.

8.4   Human resource management

Each of the Nigerian operations possessed human resource functions. Strikingly, these were essentially structured in the same way. Thus, each formed part of a wider administrative department and had staff distributed between all the different Nigerian locations. Each was also headed by a local Nigerian member of staff who reported into the Chinese head of the

wider department within which the function was situated. Each also possessed different subsections dealing with different aspects of human resource management, such as recruitment and selection, pay and rewards, and training and development.

As shall be seen in the discussions that follow, human resource policies and practices were largely centrally determined. In each of the subsidiaries some adaptions of them to local requirements and contexts had, however, been made. These adaptions were though for the most part of a limited nature. Insofar as they had been made, they can be seen to have reflected the influence of a combination of factors: local cultural factors, domestic legal requirements and political pressures often generated by trade union lobbying of government ministers.

Recruitment and selection

Staffing in each of the Nigerian subsidiaries at the time of the start of their operations was, at all levels, very much expatriate based. For example, over 65% of staff in AAA at the time it commenced operations were Chinese. Subsequently, largely because of local complaints and the consequent exerting of government pressure, in each case steps were taken to increase the proportion of locally recruited staff. Nevertheless, at the time of the research all three subsidiaries relied heavily on expatriates: the relevant percentages being 30% in AAA, 60% in BBB and over 40% in CCC, with a significant proportion of the last of these comprising members (and connections) of the extended families of the two brothers who had inherited the parent company from their father and continued to own more than 50% of the shares.

This reliance on expatriates existed alongside marked differences between expatriates and local staff in terms of their employment status since local staff were to a large extent employed on casual or temporary contracts, and often recruited indirectly through employment agencies. In contrast, expatriate staff were employed on a permanent basis. Indeed, in CCC, and to a lesser extent BBB, Chinese staff continued to be covered by a policy of lifetime employment. The situation in BBB usefully highlights the significance of these differences since although at the All three subsidiaries therefore took advantage of the scope offered in Nigeria to employ people on casual and temporary contracts, who subsequently it seemed rarely had an opportunity to progress into permanent posts. In addition, each made use of the traditional reliance placed in the country on word and mouth recruitment and hence acquired staff who were the close relatives and friends of those already working in them. Indeed, in AAA this process was particularly encouraged. At the same time, all of them had formal systems of recruitment and selection in place.

In the case of AAA, the present system evolved following complaints to the Nigeria Labour Congress that the informal approach to recruitment was disadvantaging certain ethnic groups and subsequent pressure from the government for this problem to be addressed. As a result, the subsidiary now utilises an E-recruitment system that applies to all types of applicants and jobs.

The application form, however, is different to that used by the parent company's online recruitment system because of the need to ask about the ethnicity and gender of applicants, whether they have completed the

mandatory NYSC and whether they smoke – a requirement specified under the government's anti-smoking campaign.

BBB was also found to use an online application process. In its case the system was a global one and hence one that was completely determined centrally. As in AAA, applicants are assessed against laid down criteria. Nevertheless, it appeared that more Chinese than Nigerians were appointed through the process, which it was suggested reflected a combination of Guanxi and the continued influence of parent company's previous system of lifetime employment.

The approach adopted towards recruitment in CCC was rather different. Here jobs were advertised through the media and particular universities and schools, and applicants then initially assessed and subsequently interviewed. In broad terms, the process concerned was reported to be very similar to that which the parent company used in China to recruit non- family connected staff. It existed, however, alongside not only the usage of employment agencies but the controversial recruitment of rural farm workers in Kano through local community leaders.

More generally, all three companies formally selected on the basis of skills, competency, experience and educational experience. All also, at least in the case of certain jobs, used tests to assess the suitability of candidates, such as aptitude and technical tests in BBB and psychometric ones in AAA. Nevertheless, in each, there were complaints of selection processes operating unfairly and in a discriminatory way. Interviewees, for example, complained about discrimination against particular ethnic

groups and the appointment of women. They also drew attention to how connections continued to influence recruitment, notwithstanding the presence of formal recruitment systems. References, for example, were made to how relatives submitted applications via already employed proxies and in this way obtained preferential treatment.

Performance appraisal

Each of the companies at the time of the study had formal systems of performance appraisals in place. That in AAA had, however, only been developed in relation to local staff sometime after it commenced operations in Nigeria, its establishment stemming, at least partly, from complaints from them. In the case of the systems in AAA and BBB, they can be seen to have reflected the influence of Western notions of good human resource management practices given their focus on performance objectives and outcomes.

The system in AAA had been influenced by those in use in other parts of the parent company and was based on the evaluation of staff in relation to the achievement of clearly specified goals. In fact, the form had largely been translated from Mandarin, with the result that its clarity was the subject of some criticism. Nevertheless, the system had been adjusted to reflect local circumstances. In particular, given the role that all staff played in selling the company's products, it contained questions about the performance of staff in this respect.

Appraisals at BBB were conducted on the basis of a centralised, company-wide system which also focussed on the setting of individual

expectations in the context of wider departmental and organisational objectives and the evaluation of performance against them. This process of evaluation considered a range of factors, such as knowledge, innovation and teamwork, and was done on the basis of a six-point rating scale ranging from 'bad' to 'excellent'. Unlike in the parent company, however, appraisals were conducted on a twice-yearly basis following concerns from local staff that they were not provided with sufficient promotion opportunities.

Rather differently, the appraisal scheme in CCC reflected the familial and paternalist nature of its parent company. Thus, rather than focusing on evaluating staff against a set of 'hard performance objectives', the scheme sought to primarily assess how far staff exhibited various communal values in relation to such matters as leadership, problem solving and the accomplishment contrast to AAA and BBB, CCC had chosen not to establish a training centre in Nigeria. Nor had it invested in the development of online training. Instead, it relied primarily on the provision of external training (including at the Chinese headquarters) to professional and technical staff, particularly those with family connections. Those trained were then required to pass on their knowledge to colleagues via on-the-job training. One consequence of this approach therefore was that little importance was attached to providing local staff with career development opportunities. It did though mean that some Nigerian staff got the opportunity to attend much valued training overseas.

Both BBB and AAA also similarly placed a lot of reliance on on-the-job

training. In BBB, for example, much of the local training was provided by middle and junior managers who had received their own training centrally. The training provided to them was in turn intended to support subsequent promotion and career development. In a similar vein, interviewees in AAA reported a considerable emphasis on on-the-job training and learning by observing, particularly for lower grade staff. Much of this was apparently provided by Chinese expatriates, a reliance that proved problematic when expatriate staff were withdrawn from the North Eastern part of the country as a result of political turbulence there.

The training center in BBB was located in Abuja and had four members of staff. Staff attendance on course frequently resulted from development needs identified during performance appraisals, which interviewees reported frequently resulted in members of staff undergoing two sets of training each year. Arrangements in AAA seemed rather similar, with it being reported that staff were usually scheduled two training sessions per year. It was also noted that staff could attend courses in basic Chinese at the center and that all newly recruited staff were required to undergo compulsory specific training in their field of activity.

Pay and rewards

When discussing issues around pay and reward, respondents in the three cases emphasised that while in general the subsidiaries were encouraged to follow standard policies, they also recognised the need to adapt them in order to avoid violating local laws and norms. In line with this, the three companies conformed to the minimum specified base pay in Nigeria, namely the lowest specified grade applicable to primary school leavers.

They also all paid the minimum wage rates applying to the categories of staff employed by them and adapted to government regulations on the provision of free transportation (or money equivalent), and health coverage (employee, spouse and four children) and accident insurance coverage.

More generally, in each of the three companies in addition to their pay local staff received a range of non-pay benefits. These included the government required ones just mentioned, along with others, including housing loans, subsidised meals, and pension schemes. In both AAA and CCC local staff could also receive bonuses for respectively introducing the company to new clients or selling its product.

Overall, it appeared that that the rates of pay offered by all three companies Exceeded the minima laid down by the government, with those in BBB tending to be a little lower.

The rates were also broadly (but not universally) seen as satisfactory, although below those paid by foreign oil companies, in a country where anybody in receipt of pay above the minimum wage is viewed as fortunate

Another source of criticism across all three companies was the existence of disparities between the pay and benefits of local staff compared with those of expatriates. These disparities were reported to include the payment of the latter in dollars rather than the local Naira currency (AAA and BBB), the absence of service-based pay increments for local staff (BBB), the exclusion of local staff from share-based bonuses (AAA) and individual performance-based ones (BBB), and the provision of non-pay benefits to temporary Chinese, but not local, staff (BBB).

The less favourable treatment offered to local temporary contract staff was another common source of criticism. Here attention was drawn to not only their exclusion from non-pay benefits, but also performance pay arrangements. In BBB, for example, it was reported how contract staff, in being appraised by the employment agencies who supplied them, did not have access to appraisal-based pay rises or promotions. Indeed, it was reported that there had been cases of such staff being dismissed when they complained that they had not been rewarded following a favourable appraisal.

Communication and worker voice

Striking similarities existed between the three companies in this area. All of them had systems of communication in place that utilised tools such as emails, newsletters, meeting between units/departments and employee manuals. At least two of them also had made available apps that translated between Chinese and English. Nevertheless, each were seen by the staff interviewed to have communication problems marked by 'them and us' divides.

These problems were invariably seen to reflect a combination of language and cultural barriers and were particularly raised in relation to relationships between Chinese supervisors and the local staff. Those interviewed in BBB, for example, saw the Chinese as being an 'in-group 'who kept themselves to themselves and tended not to share financial and strategic information more widely. Rather similarly, interviewees in AAA in AAA suggested that relationships between Chinese supervisors and staff were distant and marked by poor communications because

the former wanted to assert their authority, control and demonstrate their superiority. In common with those in CCC, they also drew attention to examples where a lack of cultural understanding and sympathy created tension. In both cases, particular mention was made to differences in the work ethics of Chinese and local staff, and the problems that arose around weekend (and overtime) working due to the religious beliefs of staff and the traditions of family life in Nigeria. Such communication problems existed alongside a lack of formally accepted systems of collective consultation and representation. None of the companies encouraged union membership or any forms of union activity among their staff.

In fact, such membership and activity were actively discouraged.

In AAA new employees had to sign that they would not play active

roles in any union while working in the company, while BBB was

reported to less formally make clear that employees were not permitted

to join any labour union. CCC likewise was reported to not permit union

activity, even though trade union membership in Nigeria is high in the

manufacturing sector.

Despite these prohibitions, it was clear that union membership and activity existed in each of the companies. It was also apparent that unions had played significant roles in addressing employee concerns in all of them. In CCC, for example, the union had been involved in addressing a variety of concerns relating to such matters as rewards for shift working, payment for overtime, the employment of expatriates, dismissals and poor standards of health and safety. Similarly, in BBB there had been union involvement in respect of complaints around pay, dismissals and health and safety.

Union influence sometimes stemmed from direct contact and negotiation with company managements. However, often it was indirectly exerted via the government. Thus, it appeared common for unions, when faced with a reluctance on the part of the companies to engage with them, to pressure the government to take up issues with the management or to encourage them to talk to union representatives; a process at times facilitated by the otherwise generally relatively passive local Nigerian directors. In part, this government vulnerability to pressure reflected the relatively high profile of the three companies, as foreign ones. It also reflected more generally, however, a desire on the part of the government not to lose political support and to avoid unions drawing attention to the roles that former government ministers played in aiding Chinese companies, including those studied, to enter the country.

8.5 Summary

This chapter has compared the findings obtained from the three Chinese case study organisations, namely AAA, BBB and CCC, in order to draw out similarities and differences between them. Overall, this process of comparison has highlighted many points of similarity in the findings obtained. In contrast, it has identified fewer areas of significant difference It emerged that the entry of each of the parent companies into China had been influenced by a combination of business and political factors. In the case of BBB this was perhaps particularly the case since, as a construction company that formed part of a formerly State-owned parent, it had originally entered the country to deliver infrastructure projects under China's foreign aid programme. This was a source of motivation that differed from the more business focussed ones that informed the entry of

AAA and CCC into the country. At the same time, however, in all three cases it was apparent that members of the former military regime had in various ways facilitated the entry of all three companies into the country. Notwithstanding this, it was clear that the Chinese parents continued to exert substantial control over the operation of the three Nigerian subsidiaries, both directly and indirectly. Chinese directors and senior managers dominated decision-making. In addition, and more indirectly, considerable reliance was placed on expatriate managers and supervisors.

These processes of decision-making existed alongside a large degree of central determination of subsidiary human resource policies and practices. More widely, significant proportions of each of the workforces were made up of expatriate staff, while local staff were predominantly employed on a casual and temporary basis, often being hired through employment agencies. The recruitment and selection of local permanent staff was mostly done through processes that largely aligned with those used in China. The same was to a large extent true of the performance appraisal systems and training and development arrangements in place. More widely, it was clear that the pay of local permanent staff, while compliant with minimum wage laws, was generally seen as not generous in comparative terms. Meanwhile, each of the subsidiaries discouraged union membership and activity, and formally did not recognise and deal with unions.

It was further clear that the parent companies' policies and practices reflected to some degree Chinese management traditions as well as Western notions of human resource practices. CCC, for example, continued

to operate a policy of lifetime employment both in China and for its Chinese expatriate workers. Furthermore, its performance appraisal system also, as was common under such policies, placed an emphasis on the demonstration of collective and communal values.

The resistance to unionisation in the three companies can also be seen to echo the suspicion of independent trade unionism that has more widely been noted to exist in modern day China (Taylor et al, 2003; Clarke, 2005; Cooke, 2012). Meanwhile, the appraisal systems in AAA and BBB, by way of contrast, were observed to align with standard Western approaches. Nevertheless, within this picture of centralised decision-making and influence, it was, also clear that local factors had influenced human resource policies and practices. Each of the companies had, for example, responded to complaints and political pressures by reducing to some extent their degree of reliance on expatriate staff. It was further apparent that, despite their opposition to unions, each had needed to deal with them and/or respond to various demands from them, largely because of their capacity to generate and compel supportive government pressures. Nigerian laws on minimum pay, and other employment matters had also been considered and, in a less positive vein, the companies had taken advantage of their legal ability to employ staff on a causal and temporary basis. In addition, various more minor aspects of human resource management, such as, for example, the frequency of appraisals, had been adjusted in the light of local conditions.

Wider cultural and political factors had also impacted the companies. Political factors, both current and historical, had, for example, influenced

where AAA and CCC had decided to locate their factories (and by extension the ethnic composition of their workforces). It was further clear that in each of the company's significant cultural tensions, relating primarily to religious beliefs, traditions of family life and work-life balance more generally, and permeated relations with local staff.

CHAPTER NINE: CONCLUSIONS

9.1 Introduction

This chapter provides a conclusion to the study. It comprises three main sections. Firstly, the reader is reminded of the study's rationale, objectives and methodology. Then attention is paid to the contributions that the study makes to existing knowledge regarding the human resource policies and practices of MNCs in general and, more particularly Chinese ones operating in Africa and, more particularly, Nigeria. Lastly, some limitations of the study are noted and a number of ideas for future research are put forward to in the light of them.

9.2 Study rationale, objectives and methodology

A massive literature has developed within the field of international human resource management and more specifically on the management of human resource management within MNCs (see e.g., Tayeb, 1998, Briscoe and Schuler, 2004; Scullion, 2005; Pudelko and Harzing, 2007, Harzing and Pinnington, 2010; Bjorkman and Welch, 2015; Brewster et al, 2016; Reiche et al, 2015;2019). This literature sheds much light on the varying approaches that MNCs adopt towards the management of their overseas subsidiaries and the factors that act to shape them. It also provides much insight into how a range of host country factors can require MNCs to adapt their policies and practices in the case of particular subsidiaries.

At the same time, the primary focus of this existing literature is on Western MNCs and subsidiaries. As a consequence, much less is known about (a) how non-Western based multinationals manage human

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resources in their overseas subsidiaries and the factors that shape the strategic approaches they adopt, (b) how these are implemented and operationalised in host country environments and (c) what responses they receive from locally recruited workers. This is true in general. It is also more narrowly the case regarding Chinese MNCs and the subsidiaries in Africa (Cooke, 2008 and Cooke, 2012).

The central rationale for this study was therefore to contribute towards addressing these last weaknesses of knowledge within the international human resource management literature via the carrying out three case studies of human resource management in the subsidiaries of Chinese MNCs in Nigeria focused on exploring:

The human resource strategies and policies utilised in the subsidiaries:

- How far these policies and practices appear reflective of local and wider corporate influences.
- Local workforce responses to those policies and practices and the factors influencing them.

More specifically, the thesis sets out to utilize the findings from these case studies to examine:

a) how far they confirm existing evidence that Chinese subsidiaries in Africa tend to (i) rely heavily on expatriate labour and (ii) adopt low-cost employment strategies.

b) the relative role played by country of origin, 'best practice' and host country influences in shaping how human resources are managed in such subsidiaries; and

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c) the nature of the dynamics surrounding the relationships subsisting between subsidiaries and their local staff.

Data for the three case studies were obtained from both secondary and primary sources. In particular, in each of the studies it was decided that primary reliance would be placed on the carrying out of qualitative semi-structured interviews with Chinese expatriates and local Nigerian workers. To this end a total of 43 such interviews were conducted, with these roughly evenly distributed across the three organisations concerned.

9.3 Contributions to existing knowledge

The three case studies produced a wealth of information regarding the human resource policies and practices of the subsidiaries studied, the factors that had shaped them and how local workers had responded to them and the reasons for those responses. Overall, as the previous chapter highlighted, considerable similarities, but also notable differences were found in the findings obtained across the three case studies. Taken together, they, as intended at the outset, make important contributions towards addressing significant weaknesses prevailing in the existing literature in respect of (a) Chinese MNCs approach the management of human resources in African subsidiaries, (b) the extent to which the approaches are marked by a hybridization of Chinese and western policies and practices and (c) the tension that exists in the literature between the potential that is seen to exist for harmonious value-based relationships and evidence pointing to ones marked by substantial conflict. In what follows, these three sets of contribution are:

Employment strategies of Chinese MNCs

Existing literature paints a somewhat mixed, and therefore uncertain, picture regarding the human resources policies adopted by Chinese MNCs in other developing countries and, more particularly Africa, against the background of what remains a limited research base. On the one hand there is evidence suggesting they exhibit marked variations, embody a pragmatic mixed of 'home' and 'western' elements and at times take the form of a 'high performance model of HRM' (see e.g., Cooke, 2014: 884). On the other hand, the available evidence suggests that the predominant approach involves a combination of considerable reliance on expatriate labour and the deployment of low-cost employment strategies incorporating poor wages, casual employment, low investment in training and development, and informal forms of recruitment (Jackson, 2014; Wood et al, 2014; Kamoche and Siebers, 2015).

In each of the three subsidiaries there were, as will be discussed further below, some relatively limited signs of Western style human resource practices. Overall, however, the findings obtained lent additional weight to this last prevailing picture of how Chinese MNCs approach the management of human resources in their African subsidiaries. From the outset, as has been seen, each of the subsidiaries placed much reliance on the use of expatriate labour, particularly, but not exclusively, at the supervisory and management levels. This reliance, in turn, existed alongside situations whereby the Chinese parents continued to exert substantial centralised control over the operation of the three Nigerian subsidiaries, both directly

and indirectly.

Considerable reliance was also placed in each of the subsidiaries on casual and unskilled labour. Much use was therefore made of labour recruited through employment agencies. In addition, and notwithstanding the existence in each subsidiary of formal recruitment procedures, it appeared that permanent local staff were often recruited through connections and 'word and mouth'. While two of the subsidiaries did have Nigerian based training centres, heavy reliance was placed in all three on systems of functional on-the-job training that was often provided by trained expatriate staff. In addition, in each of the subsidiaries trade union organisation was resisted and unions remained unrecognised.

Alongside such findings, in each of the case studies marked differences existed in the treatment of local and expatriate staff. These differences included the payment of the latter in dollars, and their access to various types of bonus, training and promotion opportunities, as well as the less strict application of disciplinary processes to them. The findings obtained consequently offer support to the argument of Shen and Edwards (2004) that, unlike Western MNCs, Chinese ones tend not to adopt a single policy for all employees but instead utilize different approaches in relation to different nationalities and types of staff. In doing so, they usefully highlight that such variations can extend to encompass important features of the rewards packages received by those working in an overseas subsidiary and act to create different classes of organizational citizen on the basis of ethnicity/nationality. As shall be discussed, this in turn can serve as a source of dissatisfaction and disgruntlement among staff.

Sources of HRM influence

Earlier in the thesis attention was drawn to debates in the literature about how far HRM in China has, since the demise of the 'iron bowl' employment system, come to incorporate elements of Western practice and so embody a degree of hybridization (see e.g. Zheng, 2013; Warner, 2014; Siebers et al, 2015; Cunningham and Rowley, 2008). Existing evidence suggests that such a process has been taking place, perhaps most notably via the adoption of performance appraisal systems and performance-related pay ones (Cooke, 2008; Zhu et al, 2007). It also though suggests that to a large extent employment in modern China both retains traditional elements and often takes place within organizational contexts that have little in common with Western notions of 'best practice HRM'.

More specifically, as reviewed earlier, decision-making in Chinese organisations, particularly former SOEs, tends to remain centralized (see e.g., Easterby-Smith et al, 1995; Khairullah and Khairullah, 2013). In addition, appraisal schemes have been found to tend to focus attention on work attitudes and effort, rather than performance outcomes, and to emphasis the importance of maintaining 'face' and harmonious relationships and accord weight to age and seniority. Considerable reliance also continues to be placed on network-based recruitment (Han and Han, 2009). Meanwhile, informal forms of employment, such as temporary, seasonal and casual, have grown substantially (Hu and Yang, 2001) and unions face major challenges recruiting and gaining recognition in private sector companies (Cooke, 2009).

In many ways, as the previous sub-section highlights, this picture of current

HRM practice in China was found to be largely echoed in the three Nigerian subsidiaries studied, including in relation to the way in which performance appraisal schemes operated and the use made of informal forms of employment - notwithstanding the existence of formal recruitment procedures. This coincidence provides, at one level, a simple reflection of the degree to which human resource policies in all three subsidiaries were centrally determined by the parent companies. However, more widely it suggests a pronounced tendency on the part of Chinese MNCs, at least in the context of Africa, to adopt highly ethnocentric approaches to the management of staff overseas, including in relation to their extensive use of expatriate managers and supervisors (Heenan and Perlmutter, 1979). At the same time, the policies so exported from China did, in form if not operation, embody an influence of 'dominant' Western HR notions of good practice (Puldeko and Harzing, 2007) in the areas of recruitment and appraisal.

Such an approach was furthermore echoed in the way that all three companies resisted formal union organization and union membership more generally (Cooke, 2008). It was similarly echoed in how past employment traditions and practices in China were found to be continuing to exert an influence over employment policies in at least two of the case study organisations. Thus, in CCC expatriate workers continued to be covered by a policy of lifetime employment, while in BBB the previous such policy was reported to continue to exert a degree of influence. Furthermore, appraisals in CCC emphasised, as was common in the time of the 'rice bowl employment policy' (Cooke, 2014), the importance of staff demonstrating

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cultural and communal values, and hence the importance of the organisational collective.

This coincidence found in the case studies between domestic parent human resource policies and practices and subsidiary level ones was undoubtedly helped, if not encouraged by the extent to which informal recruitment and the use of casual forms of employment were both already embedded in Nigeria. This in turn importantly highlights the role that host country environments can play in 'passively' influencing the management of MNC subsidiaries by enabling the parent MNC to pursue the policies and practices it wishes. At the same time, each of the case studies provided a reminder of how MNCs can also be required to adapt their policies and practices to cultural and institutional features of a subsidiary's host country, as the discussion that follows of subsidiary-staff relations demonstrates clearly (see e.g McDonnell et al, 2015; Harzing and Pinnington, 2015; Kostova and Roth, 2002). Each of the subsidiary's came to reduce their reliance on expatriate staff in the face of political pressure to do so in order to improve the employment prospects of local staff.

Nature of staff relations
Existing research shedding light on the responses of local African staff to the human resource policies and practices of Chinese MNCs provides evidence of them reacting adversely to their treatment and relations with their employing organisations being marked by both material and culturally based conflicts (see e.g., Kamoche and Siebers, 2015; Cooke, 2012). This evidence, however, exists alongside an argument in the literature that scope for harmonious employment relations exist given the

collectivist nature of Chinese and Nigerian societies and the similar social values that are embodied in the notions of Guanxi and Ubuntu (Jackson, 2014).

The findings obtained from the three case studies provided little, if any, support for this last line of argument. Rather, in each case study evidence was found of problematic relations and conflict. Little sign was therefore found of employment relations that that could be said to align with Ip's concept of a Confucian Firm marked by *ren*, *yi* and *li* (Ip, 2009). Instead, the findings that emerged from the studies, both individually and in combination, lent weight to existing evidence suggesting that relations in the African subsidiaries of Chinese MNC tend to be marked by local staff disgruntlement and conflict stemming from cultural clashes, perceptions of discrimination, and dissatisfaction with material conditions.

In an echo of the findings of other studies focussed on Chinese firms in Africa (see e.g., Kamoche and Siebers, 2015; Lee, 2014), those obtained pointed to difficulties arising from differences in the work attitudes and expectations of Chinese expatriate managers and supervisors, on the one hand, and local staff, on the other. More particularly, in line with the existing literature, in each of the subsidiaries Chinese managers expressed frustration that their (self-perceived) paternalism was not being reciprocated by local staff working hard and in a committed way (Cooke et al, 2015), while staff themselves complained about how the demands of their employers failed to respect their family and religious obligations. Such cultural tensions overlapped to some extent with feelings of unfairness and discrimination.

Each of the Chinese subsidiaries had experienced problems stemming from the complex ethnic and religious environment in Nigeria. For example, AAA had introduced a new E recruitment system in the face of complaints about a lack of ethnic diversity among the local staff recruited and more widely resisted pressure to commence operations in the Eastern part of the country because of the hostility towards the Chinese that was felt to exist as a result of China siding with the Nigerian government during the Biafran war. In a similar vein, CCC had been accused of discriminating against Muslims in recruitment because of its needs for 24-hour, seven day a week, production and to also have done through its use of local community leaders to recruit casual staff. Such changes and criticisms therefore pointed to each of the company's having local workforces that were to some extent skewed in terms of ethnic and religious composition and facing challenges as a result.

The case studies as a result drew important new attention to how ethnic and religious factors in countries like Nigeria can impinge on the management of human resources in the subsidiaries of MNCs. Their findings further offered support to existing evidence pointing to how provision of superior treatment to expatriate workers can generate feelings of unfairness and discrimination among local staff – evidence that not only comes from studies of Chinese MNCs (Cooke et al, 2014) but from more general evaluation of the drawbacks of an ethnocentric approach to the management of human resources by multinationals (see e.g., Schuler et al, 2002; Scullion and Collings, 2006).

More widely, in each subsidiary local staff were dissatisfied with a number

of material aspects of their employment conditions. These covered a range of issues, including low pay, poor health and safety standards, lack of promotion opportunities and the casual nature of much of the employment, as well as the reliance placed on expatriate workers. Again, these findings can be noted to reinforce existing ones regarding the adverse reactions of local African staff to the low-cost employment strategies of Chinese MNCs (see e.g., Kamoche and Siebers, 2015).

While unions were not recognised in any of the companies, in each of them they were found to have been voices of such dissatisfaction and to have prompted changes in human resource policies and practices, including in relation to the reliance placed on expatriates. This influence at times flowed from processes of direct engagement between union officials and the companies. More commonly, it was found to have stemmed from the unions exerting an indirect influence through their capacity to put pressure on government ministers. The study's findings therefore reflected, as discussed earlier in the thesis, the historical role that unions have politically played in Nigeria (see e.g., Otobo, 2016; Elufiede, 2010) and how against this background they continue to exert political influence and a related ability to indirectly influence employers, even in situations where they are not recognized and may in fact be strongly resisted. The findings also more widely highlighted how researchers when exploring the human resource policies and practices of MNCs in developing countries like Nigeria need to be sensitive to the complex political dynamics that can influence both their nature and their operation in practice. A point that receives particularly reinforcement from two other striking feature of the findings

obtained, namely the important role that former military junta in Nigeria had played in facilitating the entry into the country of all three of the studied subsidiaries and how representatives of them continue to be represented on the boards of them and to have at times exerted an influence through these means, acting to some extent as mediators between the companies and the local host social and political environments. The existing literature on international human resource management does of course acknowledge the way in which local political factors in a host country environment can exert an influence over the human resource management policies and practices of subsidiaries (see e.g., Bjorkman et al, 2007; McDonnell et al, 2015). To a large extent, however, the focus of attention tends to be on the role of local laws. In contrast, these findings point to the need for the current literature to accord greater recognition to the way in which more general political dynamics in developing countries can exert an important influence over both the establishment of subsidiaries and how they are subsequently managed.

9.4   Research limitations and implications

The three conducted case studies were successfully undertaken in accordance with the laid down research design and, as indicated above, are believed to have enabled the overall aim and supporting objectives of their encompassing study to be achieved. As a result, as will be discussed below, their findings are seen to have helped address enrich the existing literature on how Chinese MNCs manage human resources in subsidiaries based in other developing economies, while also addressing weaknesses in it. Several limitations surrounding the research undertaken, however, do need to be acknowledged, not least because they

point to areas where future research can be undertaken.

Inevitably a case study-based piece of research like that reported here is vulnerable to the criticism that it suffers from a narrowness of focus and scope, with the result that its findings are not generalisable. In this case, for example, study was focussed only on Chinese MNCs and Nigerian subsidiaries and even then, just three sets of parent-subsidiary relationships. More narrowly, the case studies reported here were marked by two methodological limitations. The first of these was that they centered on parent – subsidiary relations in which there was a high degree of dependence (and integration) of the latter on the former. This feature may therefore have introduced a degree of bias into the findings, particularly regarding the degree to which the parent companies exercised centralised control. A further limitation was that it was neither feasible or practical to conduct interviews with personnel based in the Chinese headquarters of the three companies and therefore to obtain more in-depth data on such matters as the thinking that had informed centrally determined policies and practices, as well as experiences of applying them in practice.

In acknowledging these weaknesses, it is also argued that they do not detract from the fact that in a variety of ways the undertaken study has made valuable contributions to the existing international human resource management literature by extending, confirming and challenging what is currently known about the policies and practices of Chinese MNCs, particularly in Africa.

In relation to their employment strategies, the study's findings have lent weight to prevailing evidence suggesting that Chinese MNCs tend to place

a heavy reliance on expatriates, pursue low-cost ones and retain a high degree of centralised control. They also though cast valuable and important doubt on the extent to which such policies and practices have become hybridized via the incorporation of Western notions of 'best practice' HRM. In fact, more widely, each of the case studies indicated the adoption of highly ethnocentric approaches on the part of the three Chinese MNCs that involved the transfer of policies and practices very much aligned with those used by them in China and which continued to bear the influence of China's past 'rice bowl employment policy'. Nevertheless, the findings did also confirm, as would be expected from existing research, that the subsidiaries had needed to adapt their policies and practices to some extent to local host country circumstances, most notably as a result of workforce complaints relating to a range of material and cultural issues. These adaptions were though strikingly found to flow from both formal and informal political dynamics and processes involving trade unions and government ministers that themselves reflected both the historical role that unions have played in the post-colonial development of Nigeria and also the role that representatives of past military juntas continued to play within the companies. As a result, another important finding of the study was the need for international human resource researchers to pay much more attention to such dynamics when undertaking studies in developing country contexts.

In making these contributions to the literature, the study's findings (and limitations) also point to areas in which future research could usefully be undertaken. Studies could, for example, be usefully undertaken to address the

above-mentioned limitations of the present one, namely the lack of headquarter level data collection and the focus on parent-subsidiary relations in which there was a substantial degree of integrated dependence of the latter on the former. Further qualitative and quantitative research could also usefully be conducted to confirm how far the findings obtained apply to other Chinese parent-subsidiary relationships not only in Nigeria and other parts of Africa, but also in other developing countries. Finally, given that in each of the studied subsidiaries ongoing processes of adaptation of human resource policies and practices were occurring, it would seem sensible for future research to embody a stronger longitudinal element so that more in-depth insights can be gained into not only the long-term influence of host country factors in general but also, within this, the role played by surrounding political dynamics within developing countries like Nigeria.

Finally, it is argued that the findings obtained highlight a range of issues meriting consideration by unions, government and MNCs in Nigeria. In case of the first two, they highlight how the current system of employment regulation facilitates, if not encourages, the types of low cost and casualised employment strategies utilised in the three subsidiaries, as well as the heavy reliance placed in them on expatriate labour. They also draw attention to the need to find more effective means of combatting employment segregation between different ethnic and religious group and point to the need for unions to exert further pressure on government to ensure that existing rights of membership and recognition are honored by incoming MNCs. For Chinese MNC, meanwhile, the negative responses of locally employed staff identified also raise questions about the degree

of reliance placed on expatriate staff. In addition, they raise further, somewhat related ones, about the ability and willingness of expatriate supervisors and managers to engage and communicate with Nigerian staff and the wisdom of dealing with unions indirectly via government, rather than directly as legitimate representatives of workers.

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Appendix: Comparison of key case study findings

	AAA	BBB	CCC
Mode of entry	Representatives of the military played an important role in facilitating the subsidiary's entry into Nigeria. Meanwhile, perceived hostility to the Chinese in the Eastern part of the country due to the role that China played during the Biafra war informed an ongoing unwillingness to set up a branch in that part of the country. More widely, the fact that the parent company's owner was a retired Chinese Army General helped gain internal political support in China for its expansion into Nigeria.	Parent company's expansion into Nigeria much influenced by the Chinese government's Open-Door policy. In fact, its construction division was originally established by the government to support the policy and the infrastructure elements of aid programmes in Africa that were linked to wider political and economic objectives. In line with these motivations, the establishment of the company's Nigerian operations was paved by a programme of mutual 'win-win' collaboration between the Chinese and Nigerian governments.	Company's entry largely business motivated. Initially arose from an approach from an indigenous Nigeria company to supply it with raw materials. After this company's collapse, the decision was taken to buy the company concerned. Although this initiative failed, the Chinese parent still decided that Nigeria offered valuable business opportunities and so established a subsidiary in partnership with the then ruling military regime. Local political considerations furthermore played a role in the decision to base the subsidiary in Kano, since this location not only offered some financial benefits but constituted the home-state of the ruling junta.
Subsidiary governance	An independent body comprising representatives of the military men who aided the company's entry into Nigeria existed and met regularly with the COO. In addition, these were also effectively represented by the local Nigerian member of the board of directors that was required to be appointed by law. However, while	The Nigerian subsidiary formed part of a wider West African division of the parent company. This division was headed by a Chinese Managing Director. Its board comprised the managing director himself, a Chief Operating Officer, a head office board representatives and various local West African stakeholders. Meanwhile, the Nigerian subsidiary was managed on a	The subsidiary had four local directors that were representative of the military personnel who had facilitated its entry into Nigeria. However, the board, and the management of the subsidiary more generally, was dominated by members of the parent company's founding family, with one of the sons of the founder acting as its Chief Operating Officer. Indeed, it appeared that members of the 'family in-

	this director attended some board meetings, there was always a meeting of the local Chinese directors preceding the meetings he attended. More generally, this situation existed alongside one whereby, in addition to the COO, nearly all other managers were Chinese.	day-to-day basis through eight general managers responsible for its constituent departments, all of whom were Chinese.	group' constituted a second layer of authority that was more involved in decision-making than the locally appointed Nigerian directors.
Human Resource Function	The subsidiary had a corporate level HR function located in a wider HR and Procurement department. There were also HR units based in the company's two other branches in Abuja and Kano. The Head of HR was a Nigerian who reported to a Chinese director in overall charge of the wider department. The function had more of an operational than strategic role since the subsidiary's human resource policies to a large extent were centrally determined by the parent company. The subsidiary did though have some scope to adjust central policies to accommodate local circumstances.	The subsidiary had a standalone HR department that encompassed sub-units responsible for recruitment and selection, remuneration, welfare, and training. Departmental staff were based in each of the subsidiary's branches. The subsidiary largely applied parent company policies. It did, however, have some limited scope to adapt them to local circumstances, including in relation to training and performance appraisal. The department was headed by a Nigerian who reported to a Chinese director.	The Nigerian subsidiary had an HR function that formed part of a wider corporate services department and encompassed sub-units dealing with recruitment, training, welfare and pay and rewards. The function had staff located in each of the subsidiary's branches. The unit was headed by a Nigerian who reported to a Chinese director responsible for the whole corporate services department. In general, HR policies were centrally determined by the parent company. However, the subsidiary had devolved responsibility in relation to issues relating to unionism and workers voice.
Recruitment and selection	The subsidiary started with over 65% Chinese staff, drawn mostly from headquarters but also from	Headquarter staff and Chinese expatriates more generally constituted most of the staff employed in the	Over 40% of those working in the subsidiary were expatriates who included members of the families of the two sons

other subsidiaries. Subsequently, following pressure on the government from the National Labour Congress (NLC), this reliance on expatriates had been gradually reduced to around 30%.

Local Nigerian staff were for the most part employed on a casual and temporary basis, and rarely graduated to permanent positions. Many local staff had also been recruited through informal processes.

Following complaints about a lack of ethnic diversity to the NLC, and related government pressure, a formal E recruitment system was put in place that applied to all jobs. Under this system applicants were evaluated in terms of required skills, competencies, experience and educational qualifications. Unlike the parent company's application form, the subsidiary's asks questions about ethnicity, gender and, as a result of government requirements, smoking. It nevertheless seemed that ethnic and other factors continued to often influence the

Nigeria subsidiary in the early days of its operation. This reliance on Chinese staff drew complaints and, as a result, over time the quota of Nigerian staff had increased. Nevertheless, just 40% of the workforce was Nigerian and most of these were employed on a casual basis. Staff were appointed through two different channels. The first of these involved the making of applications through a global online system and subsequent formal processes of selection against laid down requirements regarding such matters as skills, educational qualifications and experience. The second channel involved recruitment by local employment agencies and was the more important given the reliance placed on temporary and casual staff. Interviewees suggested that such staff rarely were able to obtain permanent positions with the company.

While open to all, it was reported that more Chinese than Nigerians (and more men than women) were appointed through the online system. It was suggested that this imbalance reflected a combination of guanxi and a hangover from China's previous system of lifetime employment, whereby the

of the parent company's founder and others possessing wider family connections. This familial approach reflected that used in the parent more widely and a related belief that it supported the production of excellent products, high customer satisfaction, and loyalty.

As in China, jobs aimed at non-family connected staff were advertised through the media and particular universities and schools, with applicants being short-listed and then interviewed on the basis of the fulfillment of specified attributes relating to skills, experience and education.

60% of Nigerian staff were employed in production and 70% on a temporary basis. Most local staff had not therefore been recruited through the above system but via employment agencies. In addition, in one region recruitment was done informally via community leaders – an approach reported to discriminate against certain types of workers, notably Muslims. Indeed, more generally, it was claimed that religion and ethnicity influenced recruitment because of the need for 24-hour production.

Temporary Nigerian staff rarely it seemed

	appointment process.	company felt duty bound to provide continued employment to long-serving staff.	were rarely appointed to permanent positions. In contrast, Chinese staff continued to be covered by a policy of lifetime employment.
Performance appraisal	When the subsidiary commenced operations, its HR arrangements did not include a performance appraisal system. This remained the case for the first two years of its existence. This situation attracted criticism from local staff on the grounds that it limited their opportunities for promotion. Subsequently, an appraisal Scheme was introduced that largely echoed that used by the parent company and focused on the evaluation of performance against objectives. However, it differed from the parent one in focusing attention on the role all local staff played in selling the company's products.	The subsidiary had a performance appraisal system in place that was aligned with that used by its parent company. However, appraisals were undertaken on a twice-yearly basis rather than an annual one. The scheme focused on the setting of individual expectations regarding such matters as knowledge, innovation, team work (team spirit), attendance, and the evaluation of performance against them. It also, however, included a strong emphasis on values and beliefs. In this way, it continued to echo the way in which in the old state-controlled economy priority was placed on the evaluation of staff in terms of political loyalty and connections, rather than their work performance.	The appraisal system was a 360 degree one under which staff were evaluated every two years. It was essentially the same as that used in China by the parent company. However, it had been adapted to focus less on learning and development and more on providing opportunities for performance-related pay increases. At the same time, unlike western style appraisal systems, the company's concentrated on evaluating staff in relation to various values relating to such matters as leadership quality, team spirit, problem solving, accomplishment of goals, and loyalty to the company's brands. In this sense, the scheme therefore echoed the familial and more paternalistic nature of the parent company.
Pay and rewards	The reward package provided to locally employed permanent staff included, in addition to basic pay, mortgage assistance, health insurance, access to a wellness programme, and bonuses linked to the sale of company products.	The reward system encompassed basic pay and performance-related payments, as well as a variety of benefits, including medical care provided through one of the country's top healthcare providers, free transportation to the workplace, subsidised housing loans, paid maternity	Basic pay levels complied with, or exceeded, legally mandated minimum ones. In addition, staff were provided with various other benefits, including health insurance, subsidized meals and free transportation to and from work. Staff could also earn bonuses for introducing

	Basic pay had initially been low and below the level of the government's minimum wage. It had, however, been improved over time and was now seen to be comparable with MNCs outside of the oil sector. Unlike Chinese expatriates, local staff were not rewarded in shares, were paid in the local currency rather than dollars and were not covered by performance-related pay. It also seemed that promotion opportunities for Nigerian staff were low.	leave, subsidised meals, and a pension scheme. Basic pay was set in relation to an incremental grading structure. Local staff, in contrast to expatriates, did not have access to share-based bonuses. They were also covered by different pay and grading arrangements and seen to have fewer promotion opportunities. Interviewees indicated that pay levels were a source of discontent. Agency staff meanwhile did not qualify for performance-related payments or for the various non-monetary benefits given to permanent local personnel.	new customers to the company and gain pay increases on the basis of experience and skills development. Base pay levels for local staff were lower than for expatriates. They also did not have access to certain benefits, such as bonuses linked to company performance and given in respect of innovative ideas. Nor were they paid in dollars like expatriates. Such differences were reported to be source of dissatisfaction among local staff. Such dissatisfaction existed alongside a range of more general ones relating to employment conditions in the subsidiary.
Training and development	Managers reported that the company had a strong commitment to training and that its training arrangements compared favourably with other companies in Nigeria. Access to training, and the nature of it, varied between different types of staff. In generally, much emphasis was placed on on-the-job training and learning by observing, particularly for lower grades of staff that involved relevant skills being passed on by Chinese expatriate staff.	Training and development in the subsidiary (as in the parent company) was strongly orientated towards on the job training provided by centrally trained staff. The subsidiary, however, had a training centre that provided various types of training courses – the training needs of staff being identified through appraisals. In addition, staff could access a variety of centrally developed online courses. Those receiving training through the training centre included members of the general public, including ones interested	Training and development, particularly as a source of innovation and creativity, was formally stressed in the parent company. There was, however, no training centre in the subsidiary. Training was focused on professional and technical staff, particularly those with family connections and often involved attendance at external courses and programmes, including ones held in China and other subsidiaries. Those in receipt of training were then expected to pass on what they had learnt via on the job training. This approach to training meant

		in obtaining employment in BBB and other foreign companies. This arrangement reflected the way in which the company's collaboration with the Nigerian government operated as part of the Chinese government's foreign aid programme.	that some Nigerian staff had the opportunity to attend training overseas. It also though meant that relatively little emphasis was placed more generally on the career development of local staff.
	The subsidiary had a training centre where a variety of training courses were provided. Extensive online training were also available. Opportunities also existed for certain types of staff to undergo training in China.		
Communications and worker voice	Communication between management and staff appeared to be generally problematic – a fact acknowledged by managers. This situation apparently reflected not only language difficulties but also cultural factors. These included a perceived 'us and them' divide and marked differences in work attitudes and expectations. Staff were reportedly not allowed to unionise, despite this breaching the statutory rights of workers. Nevertheless, the NLC had taken up a range issues with government on behalf of workers and in response the government had at times pressured the company to address the issues concerned.	Relations between local staff and Chinese supervisors and managers appeared generally distant and poor. In part, this was attributed to a tendency for Chinese staff to form an 'in group' and to be unwilling to share information and engage with local staff. However, it also seemed to reflect dissatisfaction among local staff at their employment conditions and how they were treated more generally. The subsidiary did not recognize a union or encourage union membership. Many staff had though apparently become union members and raised concerns with their union regarding such matters as remuneration, dismissals, the provision of transport, and, perhaps particularly, standards of safety and demands for compensation for staff injured and killed at work.	Relations between management and local staff were far from harmonious and peaceful. Communications between them seemed to be frequently problematic. Tensions also existed as a result of the differences in work attitudes and cultures. In addition, local staff were reportedly widely dissatisfied both with their employment conditions and the way in which they differed to those provided to expatriates. Such concerns had been raised with both the government and the relevant trade union. As a result, while the subsidiary did not formally recognize the union, it did have extensive dealings with it against a background of government pressure. These had led to some concessions from the company but had also been marked by a good deal of conflict.

Appendix