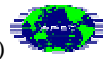


**HRM PRACTICES IN SMALL ENTERPRISES IN SELECTED
ASIAN COUNTRIES: HOW DO THEY COMPARE WITH
LARGER ENTERPRISES?**

**Maria Carmen Galang
Faculty of Business
University of Victoria (Canada)**



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ABSTRACT

A global consortium of researchers has been conducting a survey of human resource management (HRM) practices in a number of countries to address the following broad questions: Which HRM practices are most used currently? Which practices are related to organizational effectiveness? Are there universal best HRM practices or only situation-specific best practices? These questions have not been adequately answered by the current state of research and theory, yet are important in providing guidance on the best way to manage human resources that would benefit both the organization and its members given the increasingly global world that firms face.

The current paper presents results from the People's Republic of China, Indonesia, South Korea, and the Philippines. Specifically, data will be presented on the prevalence of various practices with respect to hiring, training and development, performance appraisal, and compensation, comparing small enterprises (employment size of less than 250) to medium-sized enterprises (employment size between 250-1000) and large enterprises (employment size larger than 1000). In addition, the different HRM practices will also be related to their assessed effectiveness, and to perceived overall organizational performance.



A global consortium of researchers has been conducting a survey of human resource management (HRM) practices in a number of countries to address the following broad questions: Which HRM practices are most used currently? Which practices are related to organizational effectiveness? Are there universal best HRM practices or only situation-specific best practices? These questions have not been adequately answered by the current state of research and theory, yet are important in providing guidance on the best way to manage human resources that would benefit both the organization and its members given the increasingly global world that firms face. The consortium hopes to begin to address this inadequacy by providing a thick description of HRM practices in several countries, that enable the identification of possible contextual factors that influence HRM from an international perspective.

The current paper focusses on results from the People's Republic of China (PRC), South Korea, Indonesia, and the Philippines¹. Specifically, data will be presented on the prevalence of various practices with respect to hiring (8 practices), training and development (10 practices), performance appraisal (11 practices), and compensation (9 practices), comparing small enterprises (employment size of less than 250), medium-sized enterprises (between 250-1000 employees) and large enterprises (employment size larger than 1000). In addition, the different HRM practices will also be related to their assessed effectiveness, and to perceived organizational performance.

METHODS

Variables

A five-point scale was used to indicate the extent to which each of the listed practices described the respondent's own company, with "1" representing "Not at all" and "5", "To a very great extent". For each country, means were computed for each of the 38 practices according to employment size of the enterprise.

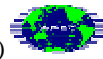
For each group of practices (e.g., hiring criteria), respondents were also asked to what extent their company's practices were effective. The same five-point scale was used to evaluate the following three statements:

1. The practices help our company to have high-performing employees.
2. The practices help our company to have employees who are satisfied with their jobs
3. The practices make a positive contribution to the overall effectiveness of the organization.

The average mean was then computed and this constituted the score for Assessed Effectiveness (Eff). Correlations of each of the practices under the group with its Eff score were subsequently computed.

The questionnaire also included a question on overall assessment of their company's performance. On a scale of five, with "1" representing "Very False" and "5", "Very True",

¹ Data are now available from nine other countries.



respondents were asked to what extent each of the following statements accurately described their company:

1. It produces high quality goods/services.
2. It has a promising future.
3. It manages its people well.
4. It is flexible enough to change when necessary.
5. It has high quality people working here.
6. It has a strong unified corporate culture.
7. It is very effective overall.
8. It has a very satisfied work force.
9. It has a very productive work force.
10. It is seen as a leader in industry.

The average mean was then computed and this constituted the score for perceived overall organizational performance (Org). Correlations with each of the practices with the Org score were then computed.

Profile of Respondents

The samples from the four countries were significantly different in terms of employment size. Chi-square analysis of each country shows that the South Korean sample was not evenly distributed, with more large enterprises and fewer small enterprises. As to the other countries, the sample was evenly distributed in terms of the three employment size categories.

To determine the extent to which the different samples were comparable, several organizational characteristics that might affect HRM practices were also measured. Table 1² provides data on the responding organizations from each country, according to employment size. Within each country, small, medium and large enterprises were significantly different on some organizational characteristic, but these organizational characteristics varied across the four countries. In the PRC, small, medium and large enterprises were significantly different in terms of industry, and perceived organizational performance. In South Korea, small, medium and large enterprises were significantly different in terms of perceived competitiveness of the environment, and status of the HR department³. In Indonesia, significant differences were found in terms of industry and organizational life cycle. In the Philippines, significant difference was only in terms of whether the organization was unionized or not.

Statistical comparisons of enterprises of the same employment size category across the four countries show significant difference in terms of unionization, product diversity, and

² Tables are attached at the end of the paper.

³ See appendix (at the end of the paper, before the tables) for the items included to measure perceived competitiveness of the environment and status of the HR department.



organizational life cycle, except in terms of industry, where only small enterprises did not differ significantly across the four countries, and in terms of competitiveness of the environment, where only large enterprises differed significantly across the four countries.

RESULTS

Because of the differences in the profile of respondents described above, it is not possible to collapse the different country samples into just the employment size categories of the firms. There will therefore be two levels of analyses: within-country comparisons among the small, medium and large enterprises, and between-country comparisons of the same employment size category enterprises.

Tables 2a to 2d show the means of all 38 practices, and the correlations of each practice to its assessed effectiveness (Eff) and the perceived overall organizational performance (Org). Only significant correlations are included in these tables. The asterisks attached to a practice indicate significant difference of the mean across small, medium and large enterprises. The top three and bottom three practices, in terms of means, in each employment size category were also identified for each of the four HRM subfunctions (hiring, training, appraisal, and pay).

Prevalence of Practices

People's Republic of China. Small, medium and large enterprises significantly differ in 23 practices (60.5% of the 38 practices), with most in performance appraisal and compensation practices, 10 out of 11, and 6 out of 9 respectively. Post-hoc analysis⁴ show that small enterprises in China were more similar to large enterprises: they do not differ significantly in 13 practices (56.5% of 23), and in these practices their means are lower than the means for medium-sized enterprises. Small enterprises are similar to medium-sized enterprises in only 8 practices (34.8%), mostly in compensation, and their means for these practices are higher than the means for large enterprises. Small enterprises were different from both medium-sized and large enterprises only in terms of benefits as being an important part of the total pay package.

Common in the top three practices across small, medium and large enterprises are ability to perform technical job requirements and proven work experience in similar job as hiring criteria, training to improve technical job abilities, appraisal to recognize things done well, and part of earnings contingent on group performance. Common in the bottom three practices across small, medium and large enterprises are right connections and future co-workers' opinions as hiring criteria, training to provide reward to employees and to improve interpersonal abilities, appraisal to plan development activities, and very generous employee benefits package.

South Korea. Small, medium and large enterprises significantly differ in 15 practices (39.5%). Unlike the Chinese sample, however, small enterprises are more similar to medium-

⁴ It should be noted that Scheffe analysis at alpha=.05 did not always show different subsets for those variables found to be significantly different.



sized enterprises, with no significant difference in 6 practices. Small enterprises are not significantly different from large enterprises in 4 practices, and small enterprises are significantly different from either medium-sized or large enterprises in 5 practices.

Common among the top three across small, medium and large enterprises are ability to get along well with others as a hiring criteria, training to improve technical job abilities, initial training for new employees, appraisal to determine subordinate's promotability, incentives as a significant part of total earnings, and seniority as not entering pay decisions. Common among the bottom three are future co-workers' opinions as a hiring criteria, training to provide reward to employees and to prepare employees for future job assignments, appraisal to determine appropriate pay, and pay raises mainly determined by job performance.

Indonesia. Small, medium and large enterprises do not differ significantly, except in one practice ("belief that person will stay with the company" as a hiring criteria). In this practice, small enterprises are similar to medium-sized enterprises.

Common among the top three practices across small, medium and large enterprises are ability to perform technical job requirements and ability to get along well with others as hiring criteria, training to improve technical job abilities, benefits as important part of total pay package, and seniority as not entering into pay decisions. There were no common practices in the top three appraisal practices. Common among the bottom three are right connections and future co-workers' opinions as hiring criteria, training to help employees understand the business, appraisal to plan development activities and to allow subordinate to express feelings, very generous employee benefits package, and futuristic orientation of pay system.

Philippines. Small, medium and large enterprises significantly differ in 10 practices (26.3%), mostly in training. Small enterprises were similar to medium-sized enterprises in 4 practices, and to large enterprises in 2 practices. Only in one practice were small enterprises different from either medium or large enterprises: training to improve technical job abilities.

The top three and bottom three practices in hiring criteria were the same across small, medium and large enterprises. The top three ones are ability to perform technical job requirements, proven work experience in similar job, and fit with company's values and ways. The bottom three are future co-workers' opinions, right connections and belief that person will stay with company in that order.

In the other subfunctions, common among the top three practices are training to improve technical job abilities and to build teamwork within the company, appraisal to document subordinate's performance and to determine subordinate's promotability, benefits as important part of total pay package and pay raises mainly determined by job performance. Common among the bottom three are training to provide reward to employees and to help employees understand the business, appraisal to discuss subordinate's views and to allow subordinate to express feelings, and futuristic orientation of pay system.

Country Comparisons. Country comparisons of enterprises with the same employment size category were also made statistically. Across all size categories, no significant difference was found for only two practices: providing training as a reward for employees, and seniority as not entering pay decisions. Table 3 lists additional practices in



which enterprises of the same employment size category did not differ significantly across the four countries.

Post-hoc analysis was conducted to determine in which country significantly different practices can be found. The results are shown in Table 4. Across all employment size categories, the Philippine sample was significantly different from the other country samples in more practices. On the other hand, the Indonesian sample across the three employment size categories were not significantly different in any practice from the other country samples.

Large enterprises in the Philippines showed the most difference: 17 practices across the 4 subfunctions, and in these practices, the Philippine sample had higher means. Next in the large enterprise category is the South Korean sample with significant difference in 4 practices, scoring lower than the other countries in all 4 practices. Among medium-sized enterprises, the Philippine sample again had more significant differences (5 practices), and all with higher means. Next is Korea again, with 3 practices, scoring lower in all. The PRC sample was significantly different in one practice, scoring in the middle ground. The pattern is broken somewhat among small enterprises. While the Philippine sample was again significantly different in 4 practices and scoring higher, and the South Korean sample was not significantly different from other countries, the PRC sample was significantly different in one practice, and scoring higher.

The practices that appeared in the top three (according to their means) in small enterprises across all the four countries are proven work experience in similar job as hiring criteria, training to improve technical job abilities, and benefits as an important part of total pay package. Among three of the four countries are ability to perform technical job requirements as a hiring criteria (except South Korea), appraisal to recognize subordinates for things done well (except South Korea) and to determine subordinate's promotability (except PRC). In medium-sized enterprises, common in the top three across all countries are ability to perform technical job requirements as hiring criteria, and training to improve technical job abilities, and among three of four countries is appraisal to determine subordinate's promotability (except PRC). In the top three in large enterprises across all countries are ability to perform technical job requirements as hiring criteria, training to improve technical job abilities, and appraisal to recognize subordinates for things done well. Practices in the top three for large enterprises in three out of four countries are ability to get along well with others as a hiring criteria (except the Philippines), benefits as an important part of the total pay

package (except PRC), and seniority as not entering into pay decisions (except the Philippines).

The common bottom three practices in small enterprises across all four countries are future co-workers' opinions as hiring criteria, and training to provide reward to employees. Common in three out of the four countries are right connections as a hiring criteria (except South Korea which includes this as a top three), appraisal to discuss subordinate's views (except Indonesia), long-term results more important in pay practices (except PRC) and generous employee benefits package (except the Philippines). In medium-sized enterprises, common in the bottom three across all countries are right connections and future co-workers' opinions as hiring criteria, and training to provide reward to employees; in three out of four



countries, the common practices are appraisal to allow subordinate to express feelings (except PRC), very generous employee benefits package (except the Philippines). In large enterprises, the common practices in the bottom three are right connections and future co-workers' opinions as hiring criteria.

Correlations with Assessed Effectiveness and Perceived Organizational Performance

People's Republic of China. Across small, medium and large enterprises, all or almost all (that is, except for one) of the practices listed under training and appraisal were perceived to be effective and positively correlated with organizational performance. In addition, for medium-sized firms, all or almost all (except for one) of the practices listed under hiring criteria were correlated with perceived effectiveness and organizational performance. These correlations are positive, except for right connections as hiring criteria. For small enterprises, this particular practice was positively correlated with perceived effectiveness. For large firms, all the pay practices were perceived to be effective, although not all were positively correlated with organizational performance.

South Korea. All or almost all (except for one) of the practices listed under hiring criteria and pay were perceived to be effective across small, medium and large enterprises. However, only in medium enterprises were hiring criteria (except one) positively correlated with organizational performance, and only in large enterprises were pay practices (except one) positively correlated with organizational performance. For medium and large enterprises, all practices listed under training and appraisal were perceived to be effective (hence, all or almost all practices under hiring, training, appraisal and pay were deemed effective by medium and large enterprises). However, positive correlations with organizational performance are shown only for all or almost all practices in hiring and training for medium-sized enterprises; for large enterprises, this is true for appraisal and pay practices.

Indonesia. None of the enterprise groupings find all (or almost all) practices under hiring criteria as effective, while almost all or almost all practices in training were seen as effective across small, medium and large enterprises. In addition, small enterprises found all pay practices as effective, although only a few were correlated with organizational performance. Almost all of the practices under appraisal were found to be effective and also positively correlated to organizational performance by small enterprises. Organizational performance was found to be positively correlated to all practices under training and appraisal by medium-sized enterprises, which also found these practices effective, while in large enterprises correlations with effectiveness and organizational performance were found for almost all practices under training only. In medium and large enterprises, right connections as a hiring criteria were negatively correlated with organizational performance, and in large enterprises it was also negatively correlated with perceived effectiveness. A negative correlation with organizational performance was also found for seniority as not entering pay decisions in large enterprises.

Philippines. Similar to Indonesia, small, medium and large enterprises did not find all the practices under hiring as effective, nor positively correlated to organizational performance. It is under training that all or almost all practices listed which were found to be effective across all employment size categories; however, it is only in small enterprises were these practices



also positively correlated with organizational performance. In addition, small and medium-sized enterprises found all practices under appraisal to be both effective and positively correlated with organizational performance (as did the Indonesian sample). Medium-sized enterprises also find that almost all the listed pay practices were effective and positively correlated with organizational performance. One negative correlation with organizational performance was found: right connections as hiring criteria in small enterprises.

Country Comparisons. Among the four subfunctions included in the survey, training practices are to be seen as the most effective (that is, all or almost all listed practices) by firms of all employment size categories across the countries, except for South Korea, and hiring practices seem to be seen as the least effective, except for South Korea. In South Korea, all or almost all the hiring practices listed were seen as effective across the three employment size categories, while in Indonesia and the Philippines, only some hiring practices were considered effective across the three categories and in China, only medium-sized firms considered almost all hiring practices as effective, with right connections correlated negatively with assessed effectiveness. In South Korea also, medium and large enterprises perceive all four subfunctions as effective, whereas in other countries, none of the employment size categories perceive all four subfunctions as effective.

Among small enterprises across the four countries, all or almost all training and appraisal practices are seen as effective, except South Korea, where it is hiring and pay practices. Medium enterprises across the four countries also perceive all or almost all training and appraisal practices as effective (for South Korea, hiring and pay practices are perceived effective by medium-sized enterprises). For large enterprises, only training practices are seen as all or almost all effective across the four countries.

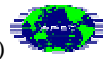
It is in the People's Republic of China, where the most number of practices correlated positively with perceived organizational performance, with all or almost all practices listed under training and appraisal correlating positively across the three employment size categories. In no other countries were all or almost all practices listed under a subfunction correlated positively with organizational performance. The least number of practices correlating with organizational performance is in South Korea, where the most number of practices were seen as effective.

SUMMARY

The rich data that has been generated will now be summarized. To reiterate, because of the differences found in the profiles of the country samples, the question posed in the title of this paper can best be answered on two levels: comparisons of small, medium and large enterprises within a country, and comparisons of enterprises of the same employment size category across the four countries included in the survey.

Within-Country Comparisons

- The most number of difference in HRM practices among small, medium and large enterprises can be found in the People's Republic of China, where small enterprises were more similar to large enterprises. The next country with the most differences is South Korea, but small enterprises are somewhat similar to medium-sized enterprises, somewhat similar to



large enterprises, and also uniquely different from either medium or large enterprises. In the Indonesia, small, medium and large enterprises were hardly different from each other, showing only one significant difference in HRM practice (belief that person will stay with company as a hiring criteria). In the Philippines, small enterprises are different from either medium or large enterprises in only one practice (a lower mean in training to improve technical job abilities).

- In the Philippines, small, medium, and large enterprises shared the most number of practices in the top three and bottom three practices across the four subfunctions, particularly in hiring criteria, where the top three and bottom three are the same across the three employment size categories.
- South Korea had the most number of subfunctions where the practices listed were seen as effective by the different employment size categories, with medium and large enterprises considering all or almost all practices in all four subfunctions as effective. This was not observed in the other countries. In Indonesia and the Philippines, small enterprises did not perceive all or almost all hiring practices as effective.
- Overall, there were fewer practices that were correlated with organizational performance than were perceived as effective across all employment size categories in all four countries. Further, where South Korea posted the most number of subfunctions that were perceived as effective, South Korea has the fewest number of subfunctions where all or almost all of the practices listed were positively correlated with organizational performance across the employment size categories. The People's Republic of China had the most number of positive correlations across the four subfunctions for different size categories, and this is particularly true with training and appraisal practices. None of the other countries showed any subfunction with all or almost all practices as positively correlated with organizational performance across all employment size categories.

Between-Country Comparisons

- Enterprises of whatever size category differed across the four countries, with the most number of differences in HRM practices found among large enterprises (84% of the 38 practices listed), with small and medium enterprises differing in 68% and 66% of the 38 practices, respectively.
- Philippine enterprises differed in the most number of practices (26 or 68% of 38 practices), particularly in the large enterprises (17 or 45% of 38), while the Indonesian sample did not differ significantly in any practice from other countries across all employment size categories. South Korean small enterprises and large enterprises in the People's Republic of China did not differ significantly from other countries in any practice.
- Training to improve technical job abilities appeared as a top three across all employment size categories in the four countries. Future co-workers' opinions as a hiring criteria appeared as a bottom three across all employment size categories in all the four countries. In medium and large enterprises across all the four countries, ability to perform technical job requirements as a hiring criteria appeared in the top three, and right connections as a hiring criteria appeared in the bottom three (in South Korean small enterprises, right connections was a top three practice). A common bottom three practice in small and medium



enterprises in all four countries is training to provide reward to employees. In small enterprises in all four countries, the other top three practices (in addition to training to improve technical job abilities) are proven work experience in a similar job as a hiring criteria, and benefits as an important part of the total pay package.

- All or almost all practices in the training subfunction were perceived as effective across all employment size categories in all four countries, except for small enterprises in South Korea. The next is appraisal, with the only exceptions being in South Korean small enterprises, and large enterprises in Indonesia and the Philippines, where it is only in the training subfunction where all or almost all practices are seen as effective. For South Korea, it is the hiring and pay subfunctions where all or almost practices are seen as effective in small enterprises.
- None of the subfunctions were found to have all or almost all listed practices as correlating with organizational performance across all employment size categories for any of the four countries. The most number of countries where all or almost all listed practices in a subfunction correlated with organizational performance in the same employment size category is three out of the four countries: appraisal practices for small and medium enterprises (except South Korea), and training practices for medium-sized enterprises (except the Philippines).

Thick descriptions of existing practices are only the beginning of building a body of knowledge about a particular organizational phenomena. Because of the dearth of empirical data on different countries, this is an especially difficult undertaking for international management. Hopefully, this can be provided by the massive amount of information that the best practices consortium has been collecting. And similar to the data-gathering phase, making sense of the observed differences and similarities across the different countries will be done through a collaborative effort of researchers with an understanding of the legal, political, economic and cultural contexts of these countries, which influence the practice and effectiveness of HRM in the organizations operating within these countries.

Appendix.-

Measures of Perceived Competitiveness of Environment and Status of the HR Department

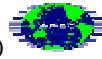
Perceived Competitiveness of Environment:

- Items:*
1. Marketplace competition has increased dramatically.
 2. Conditions in our business environment are rapidly changing.
 3. Government regulations are rapidly changing.
 4. The technology in our product/services is complex.
 5. Abundant supply of skilled people in the labor market (reverse-scored).

Scale: 5-point, with "1" - Very False, and "5" - Very True

Status of the HR Department:

- Items:*
1. It is viewed as an important department in the company.
 2. It works closely with the senior management group on the key strategic issues facing the company.



3. It seems to keep informed about the best human resource management practices that are used in other countries.
4. It is viewed as an effective department.

Scale: 5-point, with "1" - Very False, and "5" - Very True

Table 1.- Profile of Responding Organizations from Each Country According to Employment Size

Organizational Characteristic		PRC (N=190)			South Korea (N=497)			Indonesia (N=146)			Philippines (N=134)		
		Small n=57	Medium n=65	Large n=68	Small n=114	Medium n=163	Large n=220	Small n=42	Medium n=50	Large n=54	Small n=45	Medium n=54	Large n=35
Unionized	Yes	100.0%	100.0%	100.0%	57.4%	71.2%	73.2%	23.8%	40.8%	43.4%	26.7%	59.3%	77.1%
	No	-	-	-	42.6%	28.8%	26.8%	76.2%	59.2%	56.5%	73.3%	40.7%	22.9%
Industry	Manufacturing	52.7%	79.4%	80.6%	44.8%	45.8%	37.9%	31.7%	62.0%	46.2%	25.0%	37.0%	31.4%
	Services	10.9%	3.2%	10.4%	16.1%	29.9%	30.1%	63.4%	32.0%	38.5%	47.7%	51.9%	68.6%
	Government	3.6%	-	-	18.4%	6.3%	16.5%	4.9%	6.0%	15.4%	-	1.9%	-
	Agriculture	-	-	-	9.2%	6.9%	9.2%	-	-	-	2.3%	-	-
	Other	32.7%	17.5%	9.0%	11.5%	11.1%	6.3%	-	-	-	25.0%	9.3%	-
Product Diversity	One	67.3%	67.2%	51.6%	53.6%	41.4%	44.5%	68.3%	60.9%	73.1%	42.4%	33.3%	29.4%
	Related	21.8%	25.9%	39.1%	29.8%	35.7%	29.5%	19.5%	32.6%	25.0%	55.6%	59.3%	67.6%
	Unrelated	10.9%	6.9%	9.4%	16.7%	22.9%	26.0%	12.2%	6.5%	1.9%	2.2%	7.4%	2.9%
Life Cycle	Mature	44.4%	41.0%	47.5%	36.0%	39.7%	41.1%	34.1%	62.5%	84.9%	63.6%	61.5%	60.0%
	Growth	55.6%	59.0%	52.5%	38.7%	51.1%	41.7%	65.9%	35.4%	15.1%	36.4%	36.5%	40.0%
	Both	-	-	-	25.3%	9.2%	17.2%	-	2.1%	-	-	1.9%	-
Competitive Environment		2.51	2.53	2.33	2.29	2.51	2.54	2.47	2.46	2.42	2.50	2.56	2.77
Status of HR Department		3.89	4.04	3.67	2.86	3.20	3.23	3.37	3.45	3.64	3.84	3.90	4.10
Organizational Performance		3.30	3.68	3.32	2.99	3.17	3.11	3.36	3.44	3.49	3.63	3.59	3.71

Note: Shaded cells indicate significant differences:



p < .05



p < .001

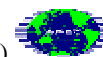
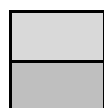


Table 2a.- Means of Practices and Correlations with Assessed Effectiveness (Eff) and Perceived Organizational Performance (Org) in the People’s Republic of China According to Employment Size

	Practice	Small			Medium			Large		
		0	Eff	Org	0	Eff	Org	0	Eff	Org
Hiring Criteria	Ability to perform technical requirements	3.11	.46**	.46**	3.40	.58**	.45**	3.19	.62**	.31**
	Ability to get along well with others	2.88			3.08	.35**		3.06	.26*	
	<i>Right connections</i>	2.70	.24*		2.45	-.43**	-.32**	2.65		
	Belief that person will stay with company	3.04	.25*	.35*	3.35	.48**	.40**	3.01	.54**	.46**
	Proven work experience in similar job**	3.11	.48**	.31*	3.59	.72**	.46**	3.26	.41**	.22*
	Potential to do a good job	2.82	.38**		3.02	.49**	.57**	2.82	.36**	
	Fit with company’s values & ways*	2.95	.34**		3.25	.43**	.44**	2.79	.33**	
	<i>Future co-workers’ opinions</i>	2.63			2.78	.33**	.41**	2.42	.31**	.28*
Training Purposes	<i>Provide reward to employees</i>	2.57			2.52			2.62	.58**	.42**
	Improve technical job abilities*	3.21	.43**	.58**	3.57	.73**	.65**	3.18	.54**	.31**
	<i>Improve interpersonal abilities**</i>	2.63	.34**	.29*	2.95	.29*	.34**	2.43	.46**	.50**
	Remedy past poor performance	2.89	.46**	.54**	3.13	.32**	.35**	2.88	.48**	.34**
	Prepare employees for future job assignments	2.95	.46**	.46**	3.18	.54**	.57**	2.96	.28**	.26*
	Build teamwork within company	2.82	.35**	.36**	2.97	.34**	.43**	2.71	.48**	.53**
	Initial training for new employees	3.07	.41**	.51**	3.17	.56**	.56**	2.90	.51**	.33**
	Help employees understand the business***	3.20	.46**	.42**	3.38	.75**	.74**	2.72	.42**	.40**
	Provide skills for a no. of different jobs***	2.82	.62**	.47**	3.27	.66**	.57**	2.68	.60**	.53**
	Teach employees about company’s values***	2.88	.53**	.36**	3.38	.84**	.77**	2.53	.63**	.43**
Appraisal Purposes	Determine appropriate pay**	2.91	.50**	.41**	3.42	.73**	.48**	2.93	.41**	.47**
	Document subordinate’s performance*	2.58	.36**	.40**	2.92	.30**	.34**	2.60	.57**	.51**
	<i>Plan development activities*</i>	2.54	.50**	.49**	2.95	.72**	.74**	2.54	.71**	.44**
	Salary administration**	2.75	.31**	.27*	3.28	.75**	.49**	2.88	.57**	.45**
	Recognition for things done well*	3.14	.38**	.40**	3.45	.71**	.49**	3.06	.50**	.27*
	Specific ways to improve performance***	2.82	.51**	.50**	3.31	.77**	.62**	2.69	.68**	.50**
	Discuss subordinate’s views***	2.63	.48**	.47**	3.05	.75**	.54**	2.43	.62**	.33**
	Evaluate subordinate’s goal achievement***	2.86	.59**	.51**	3.51	.76**	.56**	2.59	.69**	.38**
	Identify strengths & weaknesses***	3.16	.55**	.42**	3.42	.75**	.55**	2.71	.74**	.38**
	Allow subordinate to express feelings***	3.11	.65**	.52**	3.22	.81**	.71**	2.58	.60**	.27*
	Determine subordinate’s promotability	2.96	.45**	.38**	2.95	.55**	.34**	2.79	.58**	
Pay	Incentives as important part in pay strategy	3.32	.30*	.24*	3.55	.75**	.58**	3.21	.32**	
	Benefits as impmt. part of total pay package***	3.33			2.95			2.72	.58**	.42**
	Part of earnings contingent on group perf.	3.63			3.49	.63**	.60**	3.31	.45**	.23*
	Long-term results more important***	3.42	.33**	.28*	3.23	.68**	.66**	2.51	.64**	.46**
	Seniority does NOT enter into pay decisions	2.82			2.71			2.88	.40**	
	Incentives significant part of total earnings*	2.93			2.75			2.54	.43**	.35**
	<i>Very generous employee benefits package*</i>	2.72	.51**	.60**	2.88	.39**	.37**	2.46	.35**	.33**
	Futuristic orientation of pay system***	3.02	.60**	.49**	3.02	.68**	.55**	2.45	.54**	.33**
Job perf. mainly determines pay raises**	3.05	.43**		3.18	.76**	.60**	2.60	.65**	.49**	

* p < .05 ** p < .01 *** p < .001



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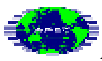


Table 2b.- Means of Practices and Correlations with Assessed Effectiveness (Eff) and Perceived Organizational Performance (Org) in South Korea According to Employment Size

	Practice	Small			Medium			Large		
		0	Eff	Org	0	Eff	Org	0	Eff	Org
Hiring Criteria	Ability to perform technical requirements***	2.49	.41**	.61**	3.00	.48**	.26**	2.95	.46**	.36**
	Ability to get along well with others	3.07	.47**	.49**	3.03	.44**	.42**	2.96	.45**	.28**
	Right connections*	2.79	.20*		2.44			2.54		
	Belief that person will stay with company*	2.61	.52**	.30*	2.94	.53**	.42**	2.88	.48**	.33**
	Proven work experience in similar job	2.83	.44**		2.64	.22*	.20*	2.61	.40**	.21**
	Potential to do a good job	2.79	.44**	.59**	2.82	.47**	.47**	2.80	.35**	.18*
	Fit with company's values & ways	2.70	.47**	.47**	2.86	.51**	.43**	2.86	.45**	.36**
	<i>Future co-workers' opinions*</i>	2.65	.47**		2.61	.36**	.25**	2.31	.29**	
Training Purposes	<i>Provide reward to employees</i>	2.37	.39**	.60**	2.56	.31**	.38**	2.46	.36**	.33**
	Improve technical job abilities*	2.86	.32**	.28*	3.03	.52**	.46**	3.23	.51**	.29**
	Improve interpersonal abilities	2.76	.30**	.39**	2.86	.36**	.33**	2.79	.46**	.35**
	Remedy past poor performance	2.71			2.72	.24**	.22*	2.76	.15*	
	Prepare employees for future job assignments	2.51			2.65	.32**		2.60	.29**	
	Build teamwork within company	2.71		.45**	2.79	.35**	.46**	2.88	.42**	.38**
	Initial training for new employees	2.81			2.91	.43**	.30**	3.02	.27**	.34**
	Help employees understand the business	2.75	.27**	.29*	2.87	.53**	.36**	2.97	.47**	.32**
	Provide skills for a no. of different jobs	2.57	.25**		2.66	.39**	.43**	2.84	.41**	.33**
	Teach employees about company's values***	2.51	.24*		2.99	.48**	.35**	3.23	.49**	.24**
Appraisal Purposes	<i>Determine appropriate pay</i>	2.57	.41**	.30*	2.44	.34**	.19*	2.31	.36**	.26**
	Document subordinate's performance	2.76	.62**	.46**	3.00	.49**	.43**	2.89	.39**	.47**
	Plan development activities	2.66	.57**	.52**	2.82	.53**	.36**	2.76	.52**	.40**
	Salary administration*	2.54	.53**	.34*	2.62	.32**		2.31	.29**	.25**
	Recognition for things done well**	2.67	.61**	.49**	3.14	.59**	.45**	2.95	.31**	.36**
	Specific ways to improve performance*	2.73	.50**	.55**	2.58	.43**	.35**	2.38	.41**	.48**
	Discuss subordinate's views	2.47	.56**		2.62	.21*		2.47	.35**	.39**
	Evaluate subordinate's goal achievement	2.63			3.04	.48**	.40**	2.98	.40**	.44**
	Identify strengths & weaknesses	2.59	.35*		2.52	.23*	.29**	2.62	.32**	.35**
	Allow subordinate to express feelings***	2.86			2.24	.36**	.28**	2.13	.28**	.26**
	Determine subordinate's promotability	3.46	.40**	.37*	3.48	.48**	.27**	3.37	.19**	.23**
Pay	Incentives as important part in pay strategy	2.62	.44**	.31*	2.70	.42**	.54**	2.68	.41**	.50**
	Benefits as imp. part of total pay package	2.88	.46**		2.83	.39**		2.78	.41**	.28**
	Part of earnings contingent on group perf.***	2.70	.45**	.44**	2.88	.46**	.21*	2.29	.26**	.14*
	Long-term results more important*	2.51	.28**	.58**	2.74	.52**	.31**	2.39	.38**	.40**
	Seniority does not enter into pay decisions	2.77	.26**		2.98	.45**		2.87	.23**	
	Incentives significant part of total earnings	2.95	.22*	.34*	2.89	.26**		3.08		.19*
	Very generous employee benefits package	2.62	.43**		2.68	.49**	.27**	2.60	.45**	.42**
	Futuristic orientation of pay system***	2.72	.54**	.43**	2.73	.59**	.43**	2.31	.58**	.46**
	<i>Job perf. mainly determines pay raises***</i>	2.54	.44**		2.16	.42**		1.90	.30**	.17*

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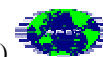


Table 2c.- Means of Practices and Correlations with Assessed Effectiveness (Eff) and Perceived Organizational Performance (Org) in Indonesia According to Employment Size

	Practice	Small			Medium			Large		
		0	Eff	Org	0	Eff	Org	0	Eff	Org
Hiring Criteria	Ability to perform technical requirements	3.49	.53**	.28**	3.32	.47**	.43**	3.33	.46**	.39**
	Ability to get along well with others	3.27	.46**	.42**	3.10	.25*		3.12	.65**	.33**
	<i>Right connections</i>	2.51			2.52		-.27*	2.85	-.26*	-.35**
	Belief that person will stay with company**	2.68		.45**	2.76			3.33	.38**	
	Proven work experience in similar job	3.08			2.88			2.90		
	Potential to do a good job	3.05	.37*		3.04	.32*		3.08	.44**	
	Fit with company's values & ways	3.00	.31*	.44**	3.14			3.12	.46**	
	<i>Future co-workers' opinions</i>	2.49			2.42			2.27		
Training Purposes	Provide reward to employees	2.61	.38**	.31*	2.66	.45**	.45**	2.84	.40**	.32*
	Improve technical job abilities	3.10	.46**	.29*	3.16	.50**	.54**	3.43	.75**	.42**
	Improve interpersonal abilities	2.80	.36*		2.84	.50**	.51**	2.90	.54**	.34**
	Remedy past poor performance	2.83			2.94	.43**	.47**	3.06	.63**	.26*
	Prepare employees for future job assignments	2.76	.48**	.39**	3.02	.55**	.64**	2.94	.55**	.39**
	Build teamwork within company	2.78	.33*	.42**	3.06	.64**	.47**	3.14	.59**	.27*
	Initial training for new employees	2.73	.60**	.28*	2.70	.44**	.33*	2.76		
	<i>Help employees understand the business</i>	2.54	.41**	.37*	2.55	.31*	.32*	2.54	.40**	.33*
	Provide skills for a no. of different jobs	2.76	.46**	.45**	2.64	.44**	.40**	2.76	.55**	.37**
	Teach employees about company's values	2.63	.42**	.57**	2.86	.57**	.59**	2.78	.51**	.44**
Appraisal Purposes	Determine appropriate pay	3.10	.54**	.55**	3.12	.52**	.50**	3.12		
	Document subordinate's performance	3.03	.54**	.38*	3.34	.41**	.44**	3.26	.41**	.49**
	<i>Plan development activities</i>	3.00	.72**	.68**	2.90	.50**	.42**	2.78	.52**	.52**
	Salary administration	3.10	.58**		3.27	.57**	.47**	3.26		
	Recognition for things done well	3.17	.67**	.45**	3.17	.64**	.59**	3.14	.47**	.59**
	Specific ways to improve performance	3.00	.78**	.53**	2.83	.67**	.49**	2.88	.54**	.52**
	Discuss subordinate's views	3.14	.76**	.43*	2.98	.30*	.28*	2.74	.58**	.55**
	Evaluate subordinate's goal achievement	3.10	.48**	.36*	3.22	.36*	.33*	2.85	.58**	.58**
	Identify strengths & weaknesses	3.17	.70**	.52**	3.10	.61**	.57**	2.84	.66**	.56**
	<i>Allow subordinate to express feelings</i>	3.00	.69**	.49**	2.85	.40**	.37**	2.73	.62**	.49**
	Determine subordinate's promotability	3.17	.74**	.43**	3.29	.67**	.43**	2.94	.35**	.41**
Pay	Incentives as important part in pay strategy	2.78	.36*		2.90		.25**	2.84	.43**	.57**
	Benefits as imp. part of total pay package	2.98	.46**		3.14	.42**	.41**	3.28		.25*
	Part of earnings contingent on group perf.	3.05	.31*		2.96		.50**	3.06	.36**	.47**
	Long-term results more important	2.78	.44**		2.96	.41**		2.92	.25*	.37**
	Seniority does not enter into pay decisions	2.88	.33**		2.98			3.24		-.28*
	Incentives significant part of total earnings	2.88	.54**		2.86	.30*	.24*	2.84	.33**	.35**
	Very generous employee benefits package	2.35	.47**	.33*	2.32	.29*		2.46		
	Futuristic orientation of pay system	2.40	.36*	.36*	2.82	.56**	.50**	2.60	.31*	.44**
Job perf. mainly determines pay raises	2.88	.39**	.40**	3.10	.46**	.47**	2.86	.41**	.36**	

* p < .05 ** p < .01 *** p < .001



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Table 3.- Nonsignificantly Different HRM Practices in Same-size Enterprises Across the 4 Country Samples

	Small	Medium	Large
HIRING	<ul style="list-style-type: none"> • Ability to get along well with others • Future co-workers' opinions 	<ul style="list-style-type: none"> • Ability to get along well with others • Right connections 	<ul style="list-style-type: none"> • Right connections • Future co-workers' opinions
TRAINING	<ul style="list-style-type: none"> • Provide reward to employees • Improve interpersonal abilities • Remedy past poor performance • Provide skills for a no. of different jobs 	<ul style="list-style-type: none"> • Provide reward to employees • Initial training for new employees 	<ul style="list-style-type: none"> • Provide reward to employees
APPRAISAL	<ul style="list-style-type: none"> • Lay our specific ways to improve performance • Allow subordinate to express feelings 	<ul style="list-style-type: none"> • Plan development activities • Recognition for things done well • Evaluate subordinate's goal achievement 	
PAY	<ul style="list-style-type: none"> • Seniority does not enter into pay decisions • Incentives a significant part of total earnings 	<ul style="list-style-type: none"> • Long-term results more important • Seniority does not enter into pay decisions • Incentives a significant part of total earnings • Futuristic orientation of pay system 	<ul style="list-style-type: none"> • Seniority does not enter into pay decisions

Table 4.- Significantly different HRM Practices in Same-size Enterprises Across the 4 Country Samples

SIZE	Philippines	South Korea	PRC	Indonesia
Small	<p>HIRING CRITERIA</p> <ul style="list-style-type: none"> • Ability to perform technical job requirements • Proven work experience in similar jobs • Fit with company's values and ways <p>APPRAISAL PURPOSE</p> <ul style="list-style-type: none"> • To document subordinate's performance 	No significant difference from other country samples	<p>PAY</p> <ul style="list-style-type: none"> • Long-term results more important 	No significant difference from other country samples
Medium	<p>HIRING CRITERIA</p> <ul style="list-style-type: none"> • Ability to perform technical job requirements • Proven work experience in similar jobs <p>TRAINING PURPOSE</p> <ul style="list-style-type: none"> • To improve interpersonal abilities • To build teamwork within company <p>PAY</p> <ul style="list-style-type: none"> • Benefits as important part of total pay package 	<p>APPRAISAL PURPOSE</p> <ul style="list-style-type: none"> • To identify subordinate's strengths and weaknesses • To allow subordinate to express feelings <p>PAY</p> <ul style="list-style-type: none"> • Pay raises mainly determined by job performance 	<p>HIRING CRITERIA</p> <ul style="list-style-type: none"> • Proven work experience in similar job 	No significant difference from other country samples
Large	<p>HIRING CRITERIA</p> <ul style="list-style-type: none"> • Ability to perform technical job requirements • Ability to get along well with others • Proven work experience in similar jobs • Fit with company's values and ways <p>TRAINING PURPOSE</p> <ul style="list-style-type: none"> • To improve interpersonal abilities • To prepare employees for future job assignments • To build teamwork within company • Initial training for new employees • To provide skills for a no. of different jobs <p>APPRAISAL PURPOSE</p> <ul style="list-style-type: none"> • To document subordinate's performance • As recognition for things done well • To evaluate subordinate's goal achievement • To identify strengths and weaknesses • To allow subordinate to express feelings • To determine subordinate's promotability <p>PAY</p> <ul style="list-style-type: none"> • Benefits as important part of total pay package • Very generous employee benefits package 	<p>APPRAISAL PURPOSE</p> <ul style="list-style-type: none"> • To determine pay • For salary administration <p>PAY</p> <ul style="list-style-type: none"> • Part of earnings contingent on group performance • Pay raises mainly determined by job performance 	No significant difference from other country samples	No significant difference from other country samples