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## How do national employment policies influence Human Resource practices? A comparative study of the Integrated Resort and Hotel Industry in Macau and Singapore

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**How do National Employment Policies Influence Human  
Resource Practices? A Comparative Study of the Integrated  
Resort and Hotel Industry in Macau and Singapore**

This thesis is presented for the degree of  
**Doctor of Philosophy (PhD)**

**Poh Chong Danny NG**

Edith Cowan University  
School of Business and Law  
2018

## **Originality statement**

I, Danny Ng, declare that this thesis, submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in the School of Business and Law, Edith Cowan University is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institution.

Danny Ng

15<sup>th</sup> March 2018

## **Publication in support of this thesis**

Ng, D., & Austin, I. (2016). Integrated resorts and hotel (gambling) service enterprises in Singapore, Macau and Australia: The changing policy landscape. *Asian Journal of Political Science*, 24(1), 42-62.

## **Abstract**

Asia's growth in prominence over the last decade is a phenomenon that has seen some governments and international financial institutions defining the twenty-first century as the Asian Century, in which Asia will be the focus of economic growth (Kohli, Sharma & Sood, 2011). The wealth in the major economies of Asia will see an increase in a dominant middle-income group, with strong spending power not only in terms of lifestyle domestically, but also internationally. This group's quest for the finer things in life will transform the hospitality industry in countries such as Singapore and Macau: both are international metropolises with numerous five-star hotels and resorts. The subsequent expansion in the hospitality industry in these countries has resulted in a tight labour market whereby the respective governments introduced national policies with varying impact on the labour market. This research will investigate how these national policies are translated into Human Resources (HR) policies by HR managers; what the influencing factors in the translation process are; and the difference between the HR policies between Singapore and Macau.

Before 2002, the then Sociedade de Turismo e Diversoes de Macau (STDM) (now Sociedade de Jogos de Macau) was the only organisation in Macau with a casino within its hotel. This changed when the Special Administrative Region (SAR) government liberalised the hospitality and gaming industry to enable the entry of other operators into the market, in the form of Integrated Resorts and Hotels (IR&H) with both gaming and non-gaming facilities. In 2005 Singapore passed legislation that allowed for the establishment of IR&H that encompass Meetings, Incentives, Conventions and Exhibitions (MICE) and a theme park. The relationship between the national employment policy, the constantly changing labour landscape and the political environment that impacts on the national regulatory policies requires HR personnel to keep abreast of the regulatory changes that could be translated into the HR practices of the IR&H. It is these various and varying factors as they relate to Macau and Singapore that will be examined in this study.

The aim of this research, therefore, is to examine and compare the national employment policies of Macau and Singapore to determine how organisations translate these policies into their HR practice.

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## **List of abbreviations**

ASME	Association of Small and Medium Enterprises
GM	General Manager
GDP	Gross Domestic Product
GNP	Gross National Product
HR	Human Resource
HRM	Human Resource Management
HQ	Headquarters
IR&H	Integrated Resort & Hotel
LTO	Long-term Orientation
MBS	Marina Bay Sands
MICE	Meetings, Incentives, Conventions and Exhibitions
PAP	People's Action Party
RWS	Resort World Sentosa
SAR	Special Administrative Region
STDM	Sociedade de Turismo e Diversoes de Macau
SJM	Sociedade de Jogos de Macau
Total	Tourism Talent Plan
US	United States
WDA	Workforce Development Authority
WSQ	Work Skills Qualifications

# Chapter 1

## Introduction

### 1.1 Background

Hospitality and tourism are an integral part of the economies of Singapore and Macau. The direct contribution to the total Gross Domestic Product (GDP) for Singapore in 2016 was 4.3 per cent (World Travel and Tourism Council, 2017; Ministry of Trade and Industry, 2017), while Macau posted a stellar GDP growth of 9.1 per cent (Economics. T, 2018) in the same year. Even with a decline in tourist arrivals in 2015 (Statistics and Census Services, 2015), Macau's Cotai Strip witnessed the opening of mega resorts in 2016. This no doubt has caused the already tight labour market to be further constrained, since there are now fewer unemployed people to fill the job openings. Institutional policy on labour in both countries is another contributing factor affecting who operators can employ.

Understanding the importance of Human Resources (HR) and their management is critical to Integrated Resorts & Hotels (IR&H) operators in the tight global labour market, with talent having the mobility to move anywhere. HR is seen as an intangible asset, one that constitutes an organisation's core competence and is crucial to solving organisational problems, attracting talent and increasing performance (Rowley, 2007). A labour-intensive industry, such as the IR&H sector, requires operators to have a set of HR policies that ensure the retention, training and performance review of staff. Macau's IR&H industry has a high turnover rate because of the stressful nature of the working environment (Chan and Kuok, 2011; Im, 2011). This negatively affects organisations because workforce turnover contributes significantly to an increase in operating costs. Fifty-three per cent of employees in Macau leave their organisation because of offers for better jobs from outside the organisation, while 42 per cent leave because of a lack of career development opportunities, and 37 per cent leave because of dissatisfaction with their salary (Du, 2013). An increase in the number of IR&H built in Asia will place increased demand on its small pool of skilled workers, causing the operators to consider recruiting internationally to find the best talent for their operations in Macau and Singapore. Even though they are characterised as 'integrated resorts', the basic structure and content of IR&H products being considered and eventually sold is essentially high-end gambling venues,

with the other components such as shops, restaurants, a hotel and so on complementing the main piece (Cunha, 2010, p. 42).

At the end of 2016, the total number of workers employed by Macau's casinos was 55,726 (Government, 2016), while the number of people working in Macau's hotel industry was 54,439 as of Quarter 1, 2017 (Government, 2017). The total number of workers in the hotel and casino is 110,165, which is 17% of the total population of Macau (Government, 2017). The employment figures from Macau show that the labour-intensive nature of the IR&H strongly contributes to the employment rate in the host nation. In Singapore, it was expected that 30,000 jobs would be added to the service industry when both IR&H in Sentosa and Marina Bay opened their doors in 2010 (Murray, 2014; Ministry of Manpower, 2010). Currently, there is no separation of employment data between the workers in the IR&H and the broader service industry.

The Macau and Singapore governments recognise both the benefits and the social ills that the IR&H with a gaming component will bring to their countries' economies. Therefore, they have passed Bills, constitutions and laws to regulate the activities of various industries so the economy can enjoy the benefits of the IR&H. In order not to have the casino as a stand-alone entity, the Singapore Government required all the tenders for the IR&H to incorporate other non-gambling related services to attract a larger pool of visitors who might want to visit the complex for fine dining, shopping, pubs and clubs. IR&H are expected to become a permanent feature in Macau with the development of the Cotai Strip. The governmental views on the IR&H industry affect the policies that are introduced, which thereby influence the industry's HR practices, and in turn its ability to retain the talent required for its growth. Talent in the IR&H industry is highly mobile due to globalisation and a demand for a specialist workforce in the industry. The diversity in the workforce is reflected in departments, where one manager could be a local while other managers are from Australia, the United States or Southeast Asia. This is apparent within the HR department where HR personnel could be from different backgrounds and cultures.

Researchers agree that HR plays an important role in the translation of institutional policies into local HR practices (Van Raak et al., 2005; Van Gestel & Nyberg, 2009). According to Shen, Chanda, D'netto and Monga (2009), three factors known as 'individual preference', 'strategic reframing' and 'local grounding' have an impact on the translation of policies. This study will also look to determine the influence of corporate directives in these three factors and

how the three-dimensional triangle changes in shape when corporate directives comes into the picture. Which can differ from organisation to organisation, country to country and, finally, in the policies between subsidiary and corporate entities.

## **1.2 Purpose of study**

Singapore and Macau are the two nations on which the research focuses: both are identical in size, and have a small population but differing economic model. Singapore creates different clusters such as manufacturing, services, logistics, hospitality and biopharmaceuticals to drive the economy, while Macau focuses solely on the hospitality and gaming industry. The lack of a sizeable workforce in both nations saw the industry open positions to foreign manpower. This did not go well with the local citizenry and had an impact on the respective administrations. The loss of six parliamentary seats (one group representation constituency and a single member constituency) in the Singaporean election in 2011 has caused a tightening of the country's labour policies. Changes to the local labour policies are considered by Human Resources (HR) and subsequently translated into HR practices – in an ideal situation, translation should occur with equal influence from local grounding, strategic reframing and individual preferences.

The research for this study will focus equally on the HR translation found in both countries. However, there has been more research conducted on Macau's IR&H industry, as Singapore's integrated resort industry is relatively young, with the two integrated resorts in Singapore opening their doors only eight years ago in 2010. This research will examine the economies, HR practices, culture, recruitment and retention aspects of both Macau and Singapore.

The aim of this research is to study the macro-policies and legislative frameworks of Macau and Singapore, and to determine how they are translated into HR practices. One of the HR research approaches that will be used to achieve this aim is to conduct interviews with the HR managers of IG&H in Macau and Singapore. The HR practices of the local institutions and corporate HR practices in each country will be compared and the differences evaluated to determine if the three factors (individual preference, strategic reframing or local grounding) have equal or unequal influence on the translation. The research will contribute to the knowledge of policy translation and its effects on HR practices of IR&H in both Macau and Singapore.



### **1.3 Research question**

The research study will look at the impact of the national employment policy on the HR practice in both nations (Singapore and Macau). The researcher will conduct a series of interviews in both locations. The data collected will contribute towards answering the research question.

The research is based on a series of interview questions, from which the data collected is used to determine the research question. The interviews conducted in this research may encourage reflection and trigger intellectual activity from the respondents (Alvesson & Sandberg, 2013). According to scholars (Alvesson & Sandberg, 2013), research should ask innovative questions that may generate interesting and influential theories.

The research project has both theoretical and practical objectives to it. The theory relates to examining appropriate strategies, frameworks and models for the adoption and use of the theories that involve individual preference, strategic reframing, local grounding and corporate directives. To be relevant, the findings of the research study must be applicable to any organisation to determine which factors have the most influence during the translation process (Benbasat & Zmud, 1999).

A detailed and precise statement of purpose could give the research question a sharper focus (Lewis, 2015; White, 2009; Alvesson & Sandberg, 2013), which allows the researcher to achieve what the study is looking for. While purpose stipulates and clarifies what the researcher wants to achieve with the study, research questions frame the study in a more significant way. Research questions provide the overall direction and the path for the development of knowledge, as well as indicate what data to look for, how to design the study, what methods are to be used and the contribution of the study to new knowledge (Alvesson & Sandberg, 2013).

The main research question, and subsidiary questions, for the interview are therefore as follows:

**Research Question: What impact does national employment policy have on human resources practices in the integrated resorts and hotels sector in Singapore & Macau?**

Subsidiary questions for the interview:

**SQIi. Questions related to individual preference**

- What is your professional qualification? (*e.g. Singapore Human Resources Institute or Macau Human Resources Association*). Was your undergraduate degree from the National University of Singapore or Nanyang Technological University? Or did you have a career change from Operations to HR? In what way might your education, background or cultural experience play a part during the national policies translation process?
- What is your value and personal belief? In what scope have you incorporated some of those values and beliefs into your workplace? (*For Singapore-based HR managers: Have you introduced some of the values and training you learned in National Service (NS)?*)
- Did you have a mentor within the HR department?
- Tell me about a time when your nationality or training played a part in the translation of the national policies. (*Different nationalities should interpret the same policies differently. Singapore firms have employed Filipino staff who are trained in the Philippines.*)

**SQIii. Questions related to strategic reframing**

- What are the challenges in the translation of national employment policies into the HR practice of your organisation? (*e.g. how the national policies encourage the employment of aged workers, and is this reflected in the local HR policies?*)
- Can you describe the vision and values of the organisation? Are the vision and values of the organisation used in the formulation of local HR policies and practices?
- As a HR manager, do you emphasise financial performance over employee (management and floor) performance during the formulation of HR policies? Was there an impact on training/retention/morale of employees?

- How often are your HR policies reviewed as a result of changes in employment regulation? Who does the review?
- Does the brand name of the hotel dominate over national policies? (*e.g. if it's Hilton, certain policies might not be beneficial for the chain and are thus either ignored or modified to suit the brand name.*)

#### **SQIiii. Questions related to local grounding**

- The governments of Macau and Singapore are encouraging organisations to upgrade the skill set of their employees. What training programs are available to the employees in your organisation?
- Employment policy in both Macau and Singapore encourages the employment of local residents. How has this affected HR policies within your organisation? What steps are being taken to retain this group of employees?
- National education policies are constantly changing, with government determining the areas of growth – what impact does this have on the recruitment and retention program of the organisation?
- Technological and social changes (demographic) are impacting on all HR processes. In your mind what are the most significant impacts these changes are having on your organisation? Are there any significant changes to the HR policies with regards to the employment of senior workers. (*This is more for the Singapore hotels.*)

#### **SQIiv. Questions related to corporate directives**

- Does your organisation achieve equilibrium between centralised international HRM practices and the incorporation of local HR management factors and inputs?
- Describe a situation in which you might find it justifiable to break company policy or alter standard.

To address the research question, the study looked to the interview in related areas (SQIi, SQIii, SQIiii and SQIiv) to help build the conceptual theoretical framework for the study.

## **1.4 Ethical considerations**

In Australia, this research comes under the sphere of the National Statement on Ethical Conduct in Research Involving Humans (2007). This includes the approval of the Information Letter to Participants, Participant Informed Consent forms, and the interview questions by the Human Research Ethics Committee (HREC) of the researcher's university, prior to the collection of primary data. The forms and questions for this research were submitted for approval in April 2014, after modifications to the interview questions as per the advice of the HREC. Permission to proceed with the research was obtained in July 2014. Primary data collection for Case Study One began in April 2015.

Participants (HR managers) in face-to-face interviews in this research were sent an Information Letter stating the purpose of the research and informing them of their rights and the confidentiality of the study. The participants were given Informed Consent forms to sign, which stated their understanding of their role and their rights as participants. The Informed Consent form records the participants' agreement that the research data gathered for this study may be published in journals or conference papers with anonymity. All respondents and the organisations in this study will be anonymous.

## **1.5 Justification for the research**

The thesis draws its literature on the various institutional theories of how organisations need to conform their practices or activities to the rules and requirements of their institutional environment to claim support and legitimacy (Boon, Paauwe, Boselie & Hartog, 2009). According to Kostova and Roth (2002), new practices, which in this study refer to the HR practices, could be influenced by the cognitions and beliefs of the HR personnel, which in turn could have been shaped by the external institutional environment in which they operate and the cross-culture factors due to the diverse background of the human resource executives involved. There is very limited research on how the HR practices of the IR&H in Singapore and Macau are translated and compared, separately there are research looking into specifically Macau but nothing comparing the sector in both cities. Both nations have in recent years seen tremendous growth in the IR&H sector due to the outflow of Chinese tourist, the spending power of this particular group have resulted in a demand for luxury and service oriented goods. The IR&H sector is one of the industries that received these Chinese tourist, human talents are required to provide the level of service but could be constraint by the high turnover within the sector

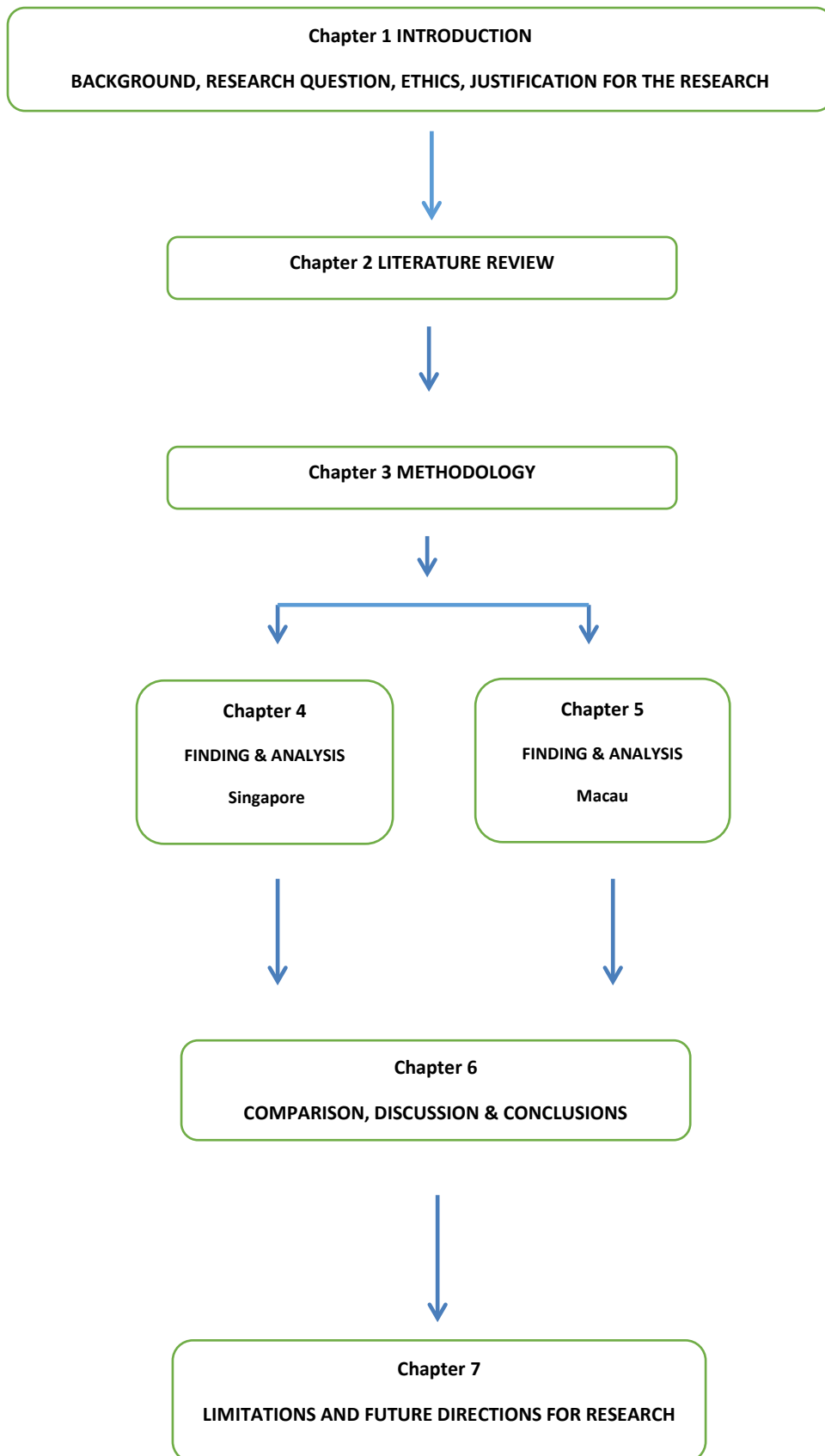
regardless of locations. The human resource (HR) policy and practices of the organizations could have an impact on employee's retention. The research looks at and compare the HR practices and policy of the IR&H in both Singapore and Macau to find out how policies are translated, what are the factors influencing it and the differences in terms of the training, development and retention of the organizations.

This study contributes to both the research and industry by providing an empirically refined, three-dimensional framework to guide the translation and formulation process of the national policies of the organisations in Asia. The framework put forward by Van Gestel and Nyberg in 2009 looks at the three areas (individual preference, strategic reframing and local grounding), while the study will investigate the role corporate directives play in the translation of HR practices and policy. The findings will determine if corporate directives from corporate headquarters can be an individual dimension. The data collected will enable practitioners and researchers in this area to gain insight into the translational process of the institutional policy by HR executives in organisations located in Singapore and Macau. The research will allow both the corporate and academic sectors to see the difference in practices among IR&H that are of the same group but different geographical locations.

## **1.6 Thesis layout**

A graphical representation of the layout of the thesis is presented in Figure 1.

**Figure 1: Thesis layout**



The background section of this PhD report in **Chapter 1** attempts to outline the: importance of HR within the IR&H; purpose of and justification for the research; significance of the research; and the research question.

Following the introduction and background of this chapter, **Chapter 2** contains the literature review, which begins with the development of the IR&H in both Singapore and Macau and the main players within the industry. The difference between the HR of the IR&H in both cities, as well as the training and development in HR practices, is also discussed.

**Chapter 3** discusses the underlying philosophical perspectives influencing the research approach, and shows how the most suitable research method was selected to answer the research question. A description is provided of the research design, which contains the data collection and analysis techniques and the protocol used. The chapter will discuss the issues of reliability, validity and triangulation using primary and secondary data, rounding off and concluding with a discussion of the researcher's view.

The results from the research section of the study, which will provide insights to the development of the framework, are presented in **Chapter 4** and **Chapter 5**. The findings from the in-depth study of cases SG1, SG2, SG3, SG4 and SG5 – which are the interviews from Singapore – will be analysed, studied, discussed and compared with the theories and extant literature. The whole process of analysis, study, discussion and comparison is repeated in Chapter 5, where the data is from the interviews from Macau.

In **Chapter 6**, the findings from both Chapter 4 and Chapter 5 will be compared against the framework and theory between both cities and finally against the corporate policy. The findings from the comparisons are discussed and relate back to the research question. The results at the end of the discussion will be used to refine the theoretical framework of this research. Finally, conclusions drawn from the research are discussed in the chapter. Acknowledgement of the limitations of the study and recommendations for future research are presented in **Chapter 7**.

## **Chapter 2**

### **Literature review**

#### **2.1 Introduction**

The literature review in this chapter is used as scaffolding in the construction of the conceptual frameworks for the study. There has been a wide range of literature pertaining to institutional theories since the nineteenth century (Najeeb, 2014; Scott, 1995). Various researchers such as Shen, Chanda, D'netto and Monga (2009) and Van Gestal and Nyberg (2009) used the theory of a three-dimensional framework in the study of inter-relations between the organizations and the employees. This study uses the institutional theory and framework of both groups of researchers to add knowledge and refine the framework for an Asian-focused research for the Integrated Resorts and Hotels (IR&H) industry.

This chapter starts with the literature reviewed on definitions of IR&H, followed by the theories of policies translation. IR&H in Macau and Singapore are part of the labour-intensive service industries. Labour is required for each of the IR&H's daily operations, which encompasses tasks such as cleaning, housekeeping, accounting and finance, VIP hosting, engineering and event management. Some IR&H positions require specialised skills and training positions. For example, front office, accounting, VIP hosting, croupiers, slot-machine operators, maintenance staff and surveillance operators all hold positions that require extensive training, and there is a labour shortage for these jobs (Liu, Chang et al, 2015). With IR&H developments occurring across the Asia-Pacific region, the demand for skilled labour in the sector will increase (Liu, Chang et al, 2015). According to Kim (2009), the labour shortage in the IR&H sector is also the product of government macro policies. The policies formulated by the Macau and Singapore governments are very much determined by the political and economic landscapes, which change constantly, and the labour law and labour market of the host nation affect organisational Human Resources management (HRM) practices (Van Gestel & Nyberg, 2009).

According to Katou, Budhwar, Woldu & Basit Al-Hamadi (2010), organisational HRM practices are reflections or responses to pressures national employment from regulatory agencies. HR plays an important role in the translation of the policies into local human resource practices, which is crucial in identifying how institutional context changes are taken up and how they affect organisational policy and practices (Van Raak et al., 2005; Van Gestel &



Nyberg, 2009). Part of the research for this thesis involves interviewing HR executives in both Singapore and Macau to investigate how they examine national employment policies and how HR translate them into human resource recruitment and retention practices. The research aims to determine whether the HR practices are a product of national legislation or policies actively moderated by the local HR managers with external inputs (Van Gestel & Nyberg, 2009). A comparison between the translated HRM policies will be conducted to determine if there are any significant differences. The results of this study will help researchers to clarify which factors (education/family background, corporate strategy, government monetary subsidies, local subsidy and corporate mission and vision) or dimension have the greatest influence on the HR practices (Quantanilla & Ferner, 2003; Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009; Dewettinck & Remue, 2011; Kramar & Parry, 2014).

## **2.2 Integrated resorts and hotels: main players in the industry**

IR&H provide a wide range of diversified non-gaming services, satisfying multiple consumer appetites for high-quality lodging, fine dining and other price / quality levels of restaurant meals, wine and spirits, nightclubs and nightlife, retail shopping, spa experiences, live theatre and music productions. IR&H thus relates to the community and to the local economy in more diverse ways than do resorts that offer essentially a casino. Hence IR&H impact on society is consequently 'softer' and generally more benevolent (Eadington & Christiansen, 2009, p. 11). IR&H can also be a tool in strategies to diversify the attractions base of a destination and to revitalise tourism (Henderson, 2012).

Many authorities seek to emulate the examples in Macau with centres that combine the casino with other amenities for leisure and business travellers (Henderson, 2012). Singapore has embraced the IR&H concept with such success (Eggleton, 2011) that it is now a working model for future developments in Taiwan, Japan and Queensland. The two IR&H at Marina Bay and Sentosa have transformed Singapore into a significant tourist destination within two years of its opening. The two IR&H were designed with the purpose of drawing in the masses. Marina Bay Sands (MBS) focuses on conventions, business meetings and people who want to experience the luxurious entertainment and dining, while Resort World Sentosa (RWS) is more of a complete family destination (Eggleton, 2011). Newer, bigger shopping malls have sprung up where the Integrated Resorts are located. With many luxury brands making their way into Singapore, some older shopping malls and hotels have either undergone, or plan to undergo, a major makeover to give their business a new look (Eggleton, 2011). The non-gaming aspect of

the IR&H has contributed approximately S\$8.6 billion to the national economy in 2016 (Department of Statistics Singapore, 2017).

The total room capacity found in RWS is 1,800 compared with the 2,500 rooms in MBS. The 1,800 rooms are managed by six unique destination hotels, which include Festive Hotel, Crockfords Tower, Hotel Michael, Equarius Hotel, Spa Villas and Hard Rock Hotel. In 2015, RWS expanded the hotel sector by opening a 500-room hotel complex on the western part of Singapore (Jurong East). Sands, unlike RWS, manage the hotel at MBS. There are other five-star hotels such as Conrad, Marina Mandarin, Ritz-Carlton and Fullerton within the precinct that complement MBS during any major events held. In 2007, Macau witnessed the opening of the first integrated resort on Cotai, which resembles the city of Venice. The integrated resort is made up of 600 duty-free shops, 3,000 luxurious rooms, a 15,000-seat concert arena and an 1,800-seat theatre (The Venetian Macao, 2013). The following few years saw the opening of the City of Dreams by Melco Crown Entertainment in 2009, Galaxy in 2011 and Sands Cotai Central in 2012. The mega-IR&H in both locations created a demand for skilled workers as well as challenges for the IR&H sector.

### **2.2.1 Integrated resorts and hotels sector: labour and political environment**

For an organisation to experience growth in the current global environment, several factors such as political, environmental and technological need to be present. However, these same factors can change over time and negatively affect an organisation's expansion plan. IR&H operations are different from those of other industries. Casinos are part of IR&H, but they usually take up no more than five per cent of the total land space (Hardasmalani, 2016). Labour requirements for IR&H operations are significant compared with industrial investments of equal capital. Governments tend to want an IR&H for a number of reasons: firstly, to increase state revenue from IR&H operations (gaming and non-gaming revenue streams); secondly, to increase the international profile of the country; and thirdly, to increase the employment rate, which would reflect well in the economic data.

Organisations such as Sands, Wynn Resorts, Melco Crown Entertainment and Sociedade de Jogos de Macau (SJM) need a reasonably stable environment to run their operations, and one of the crucial factors in achieving this is government policies. For example, in countries like the United States (US), policies that govern the IR&H and gaming industry are different between states. Some may support IR&H, while others may view them negatively. These

government policies are usually dependent on economic factors, which vary between state and country. For example Singapore, has been highly dependent on its manufacturing industry since its self-independence (1965), so the ruling party, the People Action Party (PAP), was initially resistant to legalise gambling. However, after a series of economic downturns (1997-98, 2001), the government decided to focus on international tourism and make it one of the central pillars of the economy. The various Bills and regulations by the government supported the entry of IR&H. At the same time, policies were passed through the legislative houses to protect the local population from the possible negative social effects of gaming.

Institutional policies change whenever a new government comes into power, hence operators must change their own strategies to cope with the ever-changing landscape. Additionally, IR&H operators need to ensure that their HR policies and development are in line with institutional policies. The sensitive nature of HR has caused the Macau and Singapore governments to introduce policies aimed at providing local citizens with jobs in IR&H. The small labour pool is complicated further by policies that state Macau's integrated resort with its gambling component must only employ local residents as dealers (Wan, 2009). According to Dewettinck and Remue (2011), social policy has the ability to shape the labour market and employment relations to which an organisation must then adjust accordingly.

The labour shortage could worsen as Galaxy Entertainment Group, Melco Crown Entertainment and Wynn Resorts continue to expand along Macau's Cotai Strip. The expansion of the hospitality industry on mainland China also adds to the already limited skilled labour pool in the sector (Bratton & Gold, 2012). The gaming facilities in Macau and Singapore are housed within mega-IR&H complexes, which include hotels, entertainment, theme parks, shopping and convention halls. This means that a significant increase in the skilled labour workforce is required to ensure the smooth running of operations (Cunha, 2010, p. 46); an increase which will translate into jobs that are important to the national employment figures of their respective administrations. The respective governments have implemented policies that ensure the bulk of these jobs are reserved for local citizens (Cunha, 2010, p. 47). Operators who have IR&H in both cities need to understand the labour policies of each country and align their HR strategies accordingly. The policies implemented by the governments in Singapore and Macau pertaining to the IR&H could have an adverse impact on the growth of the organisations, as the struggle to fill positions with local residents could lead to wage distortion by the competing organisations. Failure by the organisation in Singapore to comply with the

national policies could result in enforcement by the country's regulatory body, which takes a micro-environmental philosophy (Casino Regulatory Authority, 2018). Macau's regulatory environment at present has proven itself to be, in contrast to Singapore, one based on a macro-environmental overview. In Singapore, feedback from employees (line managers) on HR practices can be through the union or tripartite partnership between the employers and the government.

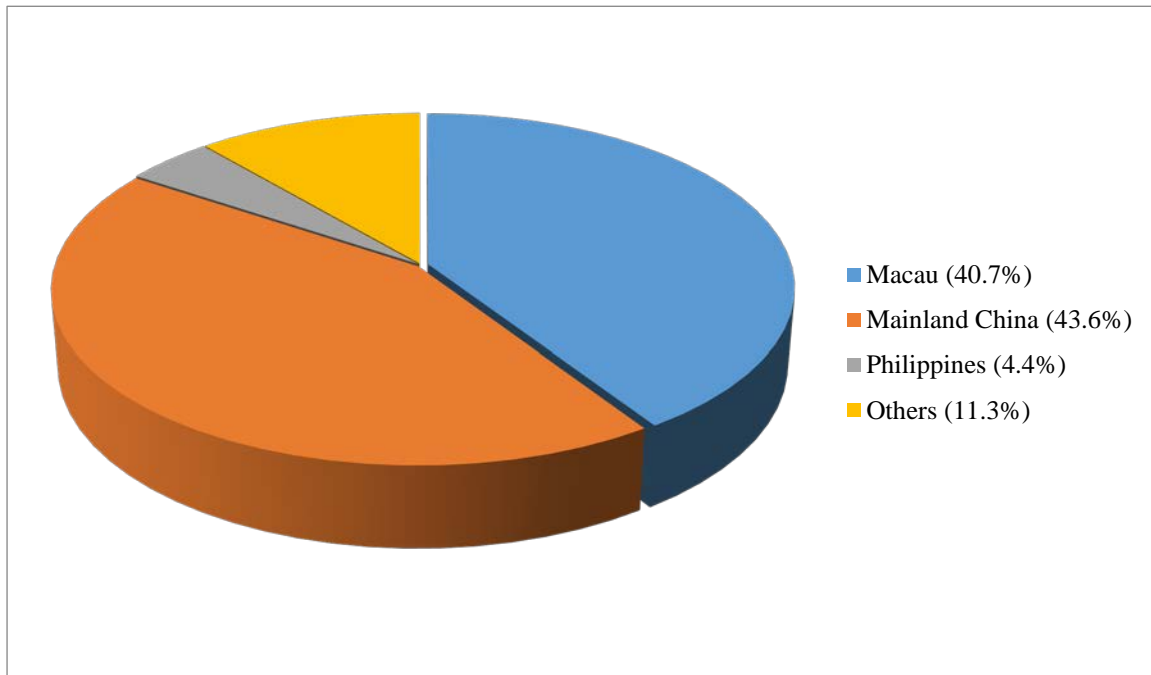
### **2.3 Population, education and training in Macau**

Macau, a former Portuguese colony from 1887 to 1999, is heavily influenced by both Chinese and Portuguese culture. The Portuguese had employed a *laissez-faire* attitude towards the administration and education system of the colony. This attitude led to most schools in Macau being privately run by religious groups, trading and cultural associations, individuals, societies and cooperatives (Kaeding, 2010). As there is a general lack of localised and centralised teaching material, private schools have to import textbooks and these are mostly obtained from Hong Kong and China (JYC Lo, 2005; Kaeding, 2010). The materials obtained from China align with Chinese ideologies and principles, so it is not difficult to identify the working culture of Macau as one that is shaped by Chinese culture and ideology, with a slight Portuguese influence (Kaeding, 2010). This culture can also be seen in Macau's universities, where most doctorate holders who teach there earned their degrees from Mainland China, Taiwan and Hong Kong, rather than from Europe, the US or Australia (Kosmützky & Putty, 2016).

The influence of the higher education industry on the workforce in Macau is profound. Not only is there a transfer of knowledge from academics to students, but there is also an exchange of values and work ethics. This interaction between academics and students shapes the working culture on the island.

According to the 2017 Statistics and Census report, the proportion of population born outside Macau rose from 59.1 percent in 2011 to 59.3 percent in 2016 (Government of Macau Statistics and Census Services, 2017a). Further investigation into the population born outside Macau revealed that 43.6 percent was born in Mainland China. The Census also shows that 29.6 percent of the population resided in Macau for less than five years (Government of Macau Statistics and Census Services, 2017a). Figure 2 offers a breakdown of the population by place of birth.

**Figure 2.1: Distribution of Macau’s population by place of birth, 2017**



Source: Statistics and Census Services (2017)

About 21.2 percent of the working population in Macau is employed in the hospitality industry (Government of Macau Statistics and Census Services, 2017a). Working adults are educated with Chinese texts and their work ethics are influenced by the teaching of Confucius during their formative years. This has helped to shape their working culture, as has the growth of Macau’s economy (Li, Frenkel & Sanders, 2011).

## **2.4 The Integrated resort and hotel industry in Macau**

The economy of Macau is predominantly services exports-oriented, with the majority being IR&H services. In 2016, led by the export of services, the Gross Domestic Product of Macau was MOP\$259 billion (US\$32 billion). One of the major forces driving economic growth in the service industry is the export of hospitality and gaming services (Government of Macau Statistics and Census Services, 2017b). In 2002, a change in regulations opened the industry, which was previously monopolised by the SJM (Wu & Chen, 2015). The objective of this liberalisation of the hospitality and gaming industry was to provide additional employment opportunities for the residents and derive the benefits associated with enhanced economic development and social stability.

Liberalising the IR&H industry was essential for the long-term growth and development of the international tourism industry, which is the pillar of Macau's economy. An example of how the industry has benefited from liberalisation can be seen in the 28.1 percent increase in hotel rooms from 2012 to 2016 (Government of Macau Statistics and Census Services, 2016).

Liberalisation of the IR&H industry in the early 2000s resulted in foreign investment flowing into Macau. Three new IR&H licenses, incorporating casino concessions, were granted to foreign transnational corporations, including Galaxy Entertainment Group, Wynn Resorts and SJM, (Wu & Chen, 2015). Each concession allows the granting of sub-concessions and enables the operation of as many IR&H as market conditions allow. These developments will increase the need for skilled workers to operate the IR&H. HR departments play an important role in the recruitment and retention of staff, which could be constrained by various national policies. The design of HR practices and regulations within an organisation is dependent on the national policies introduced, and these could have minimal or maximal effect on the way operators run their daily operations (Van Gestel & Nyberg, 2009). HR executives play a pivotal role in the translation process, which could be biased because of human interaction. This bias could be a result of the HR or line manager's cultural, educational or family influence, as shown in Boxenbaum's (2009) research, which finds that individual preference is one of the factors influencing the translation process.

## **2.5 Human resources in integrated resorts and hotels**

There has been recognition throughout the years that HR strategies affect an organisation's performance and profit (Brewster, Houldsworth, Sparrow & Vernon, 2016). For this reason, organisations must plan and create effective strategies for the smooth operation of the HR department. Effective utilisation of HR can give an organisation a competitive edge against its competitors (Tooksoon, 2011; Bratton & Gold, 2012), and previous research states that employees are a form of human capital that have knowledge, skills and abilities that can generate 'rents' or value for the organisation (Bratton & Gold, 2012; Bratton & Gold, 2012; Enz, 2010). The aim of this thesis is to explore how IR&H HR managers, supported by national macro policy and legislation, can effectively and efficiently develop employees who are highly competent and perform their jobs well, and are able to work in a tacit manner. This means that they can attend to a task at a skill level that is almost instinctive and does not require a great deal of planning or conscious thought. When a group of employees collectively acts this way, it creates an organisational system, or routine, that is so efficient it becomes a source of

advantage that is not easily replicated (Enz, 2010; David, 2011; Bratton & Gold, 2012; Noruzy, Dalfard, Azhdari, Nazari-Shirkouhi & Rezazadeh, 2013; Arora & Rangnekar, 2014; Meihami & Meihami, 2014;).

Like any asset, value can be added to HR to increase its worth, which in turn profits the organisation. IR&H operators can invest in their HR infrastructure by hiring, training and operating performance management systems, thus creating 'invisible assets' that enhance firm capabilities (Enz, 2010, p. 398). These investments: teach and encourage employees to improve their knowledge, skills and abilities; motivate them to exert greater effort on behalf of the organisation; and encourage them to improve their overall productivity (Enz, 2010, p. 398).

The role of an IR&H HR department is to source and hire people that will be a good match for the operation. Finding the right person–organisation 'fit' can be easy if there is a large and ready labour market, as in the US. However, the situation is different in Macau, where the pool of available labour is small and the regulations introduced by the Macau Special Administrative Region (SAR) Government further restrict the number of foreign workers that IR&H can employ. Thus, with the pool reduced, HR departments must examine different ways to recruit, retain and train employees, as certain jobs within the IR&H sector can be very repetitive (Roberts & Hashimoto, 2010, p. 100). A Macau government labour mobility report in 2007 shows cross-industry movement among employees from other industries, such as manufacturing, to the IR&H sector (Government of Macau Statistics and Census, 2007). Table 2.1 shows the total number of employees working in the various industries in Macau. The growth in the hotel and restaurant sector had been gradual, from 2015 to 2016 there is an increase of 2,200 people employed. This coincided with the opening of Sands Parisian in September 2016. With more IR&H development planned, the figure is expected to increase within the next one year.

**Table 2.1: Employed population by industry from 2013 to 2016**

	<b>2013 (000)</b>	<b>2014 (000)</b>	<b>2015 (000)</b>	<b>2016 (000)</b>
Construction	35.3	52.5	54.8	44.4
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	44.7	45.2	45.0	44.1
<b>Hotels, restaurants and similar activities</b>	<b>54.3</b>	<b>54.8</b>	<b>55.0</b>	<b>57.2</b>
Transport, storage and communications	15.9	19.2	17.5	19.3
Real estate, rental and business activities	27.6	30.4	29.8	30.4
Recreational, cultural, gaming and other services	93.4	94.0	94.2	92.7
Other	38.1	40.3	42.1	45.5

Source: Labour Affairs Bureau, Macao, SAR, China (2018)

A further phase of IR&H development on the Cotai Strip saw three mega-complexes open their doors to the public from mid-2015 to 2017. Of the three IR&H, two of them are international organisations, while the third is a local organisation with a history of hospitality operations in Macau.



### **2.5.1 Challenges of recruitment and retention in Macau**

As previously stated, HR is an important part of an organisation, and organisations have gradually realised the importance of HR strategies and the effect they have on profit, performance and, for some industries, customer retention (Tooksoon, 2011). In industries like tourism and hospitality, services are highly personalised and cannot be replaced by machines, and shortages of labour will affect the long-term viability of these organisations (Laghane & Deshmukh, 2012).

Organisations with greater investments in their HR programs enjoy higher overall profitability (Beardwell & Thompson, 2014; Enz, 2010, p. 398). As stated, investments in hiring, training and performance management systems create invisible assets that will enhance an organisation's capabilities (Bratton & Gold, 2012; Enz, 2010, p. 398).

The recruitment process aims to generate a pool of capable people that the organisation can choose from to fill the positions, and matching the right people to the right position is an important process. Recruitment and retention is one of the biggest challenges of the IR&H sector due to the labour-intensiveness of these organisations especially in the housekeeping department (Schuler, Jackson & Tarique, 2011; Ng & Austin, 2016). A 2015, Australian Human Resources Institute (AHRI) survey found that the ability to attract and retain new talent was perceived as the two most critical people-management issues facing most organisations today (Schuler, Jackson & Tarique, 2011; Australian Human Resources Institute, 2015). However, implementing effective recruitment, retention and training programs is not always easy, as they are usually determined by the HR policies, which themselves are translated from the national policies by HR personnel (Almond, 2011). The high turnover rate within the service industry is often accepted as inevitable (Schuler, Jackson & Tarique, 2011), hence organisations do not take recruitment and retention into consideration. The organisation naturally does not want to train employees and later lose them to competitors, since this represents a loss in investment. The concept that the industry is not an ideal place to work also affects recruitment and retention. The 2015 survey identified primary causes for failing to address an organisation's recruitment and retention issues adequately. These issues include constraints on organisational productivity and efficiency, constraints on innovation, and constraints on the organisation's ability to meet production requirements and customer demands (Schuler, Jackson & Tarique, 2011).

The rapid expansion of the international tourism industry has increased the demand for better customer and frontline services (Lages, 2010; Udani, 2012), managerial and leadership competence and language proficiency among employees. However, the national policies on labour importation have caused a limiting factor on the economy (Udani, 2012). The other challenge that Macau faces is the number of less-educated people among the working population who have only primary education. The number of unskilled resident workers has risen from 32,000 in 1999 to 64,983 in 2016. This will translate into a poorer quality of HR within Macau (Udani, 2012; DSEC, 2017). Service quality at the IR&H will inevitably suffer, with the employment of an unskilled workforce and the retention of young staff members is among the concerns for IR&H operators (Undani, 2012).

## **2.6 Singapore**

Singapore, an island nation between the East and West trading routes, has developed a diversified economy. Like Macau, Singapore does not have any natural resources and has relied on the policies implemented by the government since 1965 to achieve developed-nation status. With a land area of 721.5 square kilometres and a population of 5.61 million in 2017 (Department of Statistics Singapore, 2018), Singapore has progressed from being a labour-intensive economy in the 1960s to a knowledge-intensive economy today (Monetary Authority of Singapore, 2016). Careful planning of Singapore's economy and its ability to execute policies are the result of a stable and strong government that has been in power for five decades since 1959 (Chong, 2010, p. xiii). The strong mandate given to the government is a signal that the local population has confidence in the administration, and its policies, to lead Singapore. The manufacturing industry has been an integral part of Singapore's economy, driving the nation forward in its quest to provide the people with a standard of living equivalent to that of a developed nation (Chong, 2010, p. 127). Singapore's economy has weathered many economic crises and convened countless restructuring committees throughout the country's 52 years of independence. These committees have had recommendations enacted to increase Singapore's international competitiveness and diversify the nation's economy from one that was labour-intensive to one based on service and knowledge (Meng, 2010, p. 124).

### **2.6.1 Human resources and challenges in Singapore**

The island of Singapore has long been a gateway between East and West, attracting people from all over of the world since it became a British trading post in 1819. In particular, migrant workers from China and India came to Singapore in search of better living conditions and contributed to the growth and economic development of the nation. By the 1960s, there was an abundant labour force that attracted investment into the young nation, which led to the development of a manufacturing-based economy. However, as previously mentioned, Singapore's economy has since been transformed into a diverse one that is knowledge- and service-industry based.

In addition to these campaigns and incentives to boost the workforce, the Singapore Government introduced policies in the 1980s that allowed entry to foreign workers (Yeoh & Lin, 2012). At the turn of the twenty-first century, the Singapore Government began attracting foreign people ('foreign talents') with the skill sets required to grow the knowledge-based economy. These people were encouraged to become Singapore citizens to help compensate for the country's low birth rate. The population of Singapore in 2016 was 5.6 million, comprising 3.4 million Singapore citizens, 0.52 million permanent residents and 1.67 million temporary foreign residents (Department of Statistics, 2016). However, the government has projected that the population will grow to 6.9 million by 2050 (National Population and Talent Division, 2013) through migration and natural birth. In employing this two-pronged approach, the Singapore Government hopes to alleviate the labour problem in the future.

A shrinking labour-force pool will have a tremendous effect on the economic growth of Singapore (Thai, Balasubramanyam, Yeoh & Norsofiana, 2013). Therefore, to cushion the negative effect of labour shortages, the Singapore Government openly welcomes foreign professionals and mid- and lower-skilled workers, but with different controls and permits for each category. The government's attitude towards foreign labour changed in 2013, this was reflected in the national budget which saw an increase in levies and qualifying salaries for Special (S) pass holders. The increase in levies have an impact on labour-intensive industries such as manufacturing and hospitality (HRM Asia, 2013).

The attitude towards foreign workers in Singapore differentiates how IR&H operators plan their corporate and HR strategy from those in Macau, with HR practices within organisations in Singapore influenced by a complex external environment (Albrecht, Bakker, Gruman,

Macey & Saks, 2015). The hotel industry is no exception to this. The Singapore Government, well known for its interventionist attitude on broad issues of economic policy, has been found to intervene in HRM activities, especially in the area of productivity improvement (Albrecht, Bakker, Gruman, Macey & Saks, 2015). Studies suggest that organisational HRM practices are reflections or responses to pressures from regulatory agencies (Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009; Beardwell & Thompson, 2014; Katou, Budhwar, Woldu & Basit Al-Hamadi, 2010; Gestel & Nyberg, 2009). In Singapore, the parliament debates policies and, subsequently, the Ministry of Manpower designates any new directions to all the firms within Singapore. The policies introduced by the government could look at skills retraining and development for the employees in all of Singapore. Training is usually subsidised by the government, which covers a substantial amount of the course fees to encourage organisations to send employees to upgrade their knowledge, for the organisation's benefit at minimum cost. The HR manager needs to factor and translate such policies into the HR practices so that the IR&H workforce can have current and up-to-date skill sets. The regulatory policies and HR practices can differ greatly, and this could pose an issue to the HR manager where the three-dimensional factors could play a part in the translation process.

### **2.6.2 Training and retention in Singapore**

Since Singapore is an island with no natural resources, its government has identified human capital as a central component of its strategic economic plan (Bratton & Gold, 2012). As a result, Singapore has become well known for its innovative human capital development initiatives, which are the result of government policies, with constant input from the public and private sectors. The private sector plays an important role in the training and retention of adult workers. With the opening of IR&H in 2010, agencies, including the Singapore Tourism Board, Workforce Development Authority and Singapore's Agency for Enterprise Development, along with the tourism and hotel industries, launched the Tourism Talent Plan (TOTAL). TOTAL aims to train and develop more than 110,000 workers the industry will need in coming years (Osman-Gani & Teng, 2009). Its training initiatives are usually subsidised financially by the government through a series of claim-back schemes that enable companies to recover training costs. HR development is government-led in Singapore, whereas it is mostly private-sector driven in countries such as Malaysia, Hong Kong and Taiwan. The Singapore Government plans to increase HR development training with its Master Plan for Continuing Education and Training, which aims to train workers, especially adult workers as the government's top priority (Osman-Gani & Teng, 2009). The ongoing labour shortage has

resulted in organisations coming up with creative programs to overcome the challenges. The cross-training program is an example whereby the hotel trains the employee in various positions and deploys them to areas that require extra labour at certain times. The Ministry of Manpower and the Singapore Tourism Board endorse this program.

The continual remaking of Singapore's economy demonstrates that the resident workforce needs to be constantly retrained to acquire new skills and knowledge. The training and development programs aim to ensure the workforce remains employable as the economy recalibrates. Encouraging western organisations to establish operations in Singapore exposes the local workforce to western HRM practices, and companies in Singapore tend to spend approximately two to three per cent of their payroll expenses on training and development (Bi, 2012; Albrecht, Bakker, Gruman, Macey & Saks, 2015).

The previous two sections demonstrate how the forms of administration differ between Singapore and Macau. This could have a diverse range of effects on IR&H operations because of the manner in which each nation views HR development.

## **2.7 The difference between Singapore's and Macau's cultures**

In the case of Macau, its culture, the target market and geography all played a part in revitalising its economy. The socio-cultural affinity the Chinese population has to gambling provided Macau with a potential IR&H market. There are uncertain outcomes when the gaming industry is legalised; however, one consistency is that it increases employment for the state or the nation because of its labour-intensive nature (Barberis, 2012). The IR&H are massive complexes with many services under one roof, and a five-star hotel is usually one of the services provided to the public. The uncertain outcomes are mitigated in Singapore with the IR&H concept, where the casino is part of the IR&H and not the whole of it.

Despite its geographical distance from the Macau Special Administrative Region, Singapore has similarities with Macau in terms of ethnic origin, religion and historical experience. Both were colonies of European powers in the nineteenth century and were maritime trade posts of their colonial masters. Both populations consisted mostly of Chinese people who had left their homes in search of a better life. The Chinese brought with them values of hard work, thriftiness and a determination to succeed—cultural traits that can still be seen in the people of Chinese background in both nations today. Chinese people have a distinctive cultural identity but live in many countries throughout the world (Shen, Chanda, D'netto & Monga, 2009).

The culture/nation distinction can influence the way an organisation is managed. According to Shen, Chanda, D'netto and Monga (2009), if culture is a set of historically evolved, learned and shared values, attitudes and meanings, this will have an influence on organisations at both macro and micro levels. At the macro level, the nation, in terms of its law and economic institutions, must be taken into consideration by organisations. They must consider the measures taken by the state to protect its own interests and those of its citizens. These can range from specific employment laws to general economic and social policies. At the micro level, the organisation is influenced by the culture that relates to employer–employee relationships (Shen, Chanda, D'netto & Monga, 2009).

Singapore and Macau have evolved very differently since the nineteenth century. The political path taken by Singapore was towards self-governance after the Second World War, while Macau, which was still under Portuguese administration, found many obstacles to overcome. The external factors in Singapore's quest for independence shaped the nation's ideology and, subsequently, led to a national culture that was a product of its past struggles (Shen, Chanda, D'netto & Monga, 2009). Survival was of utmost importance to the Singapore Government and this led to its interventionist style of governance, which determines the national education curriculum in secondary schools and the courses that will receive more attention in polytechnics (Frege & Kelly, 2013). All this is done with the objective of producing a highly skilled workforce in line with the government's economic plan (Cunha, 2010, p. 18).

Macau was a colony that depended heavily on China and Hong Kong for its survival (Spooner, 2009) and Macau returned to China in 1999. Tourism is an important source of income for Macau's economy, with Hong Kong tourists being the main group to visit Macau, and an increasing number of Chinese tourists visiting after the handover in 1999. One of the main attractions of Macau is its numerous IR&H with casinos in the Special Administrative Region. The opening of the hospitality and gaming industry in 2002 saw foreign operators investing in Macau and this, inadvertently, caused Macau to become reliant on the gaming industry which, in turn, is dependent on tourists from Mainland China. Macau's culture is closely intertwined with that of Hong Kong and China because of proximity and family connections (Spooner, 2009). These kinds of external influences can affect the way a strategy or policy is translated into HR practices for an organisation (Shen, Chanda, D'netto & Monga, 2009).

## **2.8 Translating national policy**

Studies by Lengnick-Hall, Lengnick-Hall, Andrade & Drake (2009), Beardwell & Thompson (2014) and Katou, Budhwar, Woldu & Basit Al-Hamadi, (2010) suggest that organisational HRM practices are the product of pressures from external regulatory agencies from the nation within which an organisation has its operations (Van Gestel & Nyberg, 2009). It has been argued by institutional theorists that actions in organisations are the result of formal and informal rules (Suddaby, 2010; Fuenfschilling & Truffer, 2014). HRM policies and practices within an organisation are constrained by external institutional forces, with national culture and legislation playing a pivotal role (Frandsen & Paauwe, 2007; Van Gestel & Nyberg, 2009; Katou, Budhwar, Woldu & Basit Al-Hamadi, 2010; Jahn, Riphahn & Schnabel, 2012). Some researchers have argued that those institutional theorists overlooked the possibility that organisations have the ability to influence institutions or policies (Kostova, et al., 2008; Ferner, Tregaskis et al. 2011; Meijerink, 2013). National policies are usually moderated actively by HR managers, who are the organisational actors that can influence the process of institutionalisation by driving the best practices for the organisation's strategy, while still meeting the requirements of the regulatory agencies (Van Gestel & Nyberg, 2009). HR policies of the organisations within the same nation are not necessarily similar, as HR managers differ in the way they react to regulatory agencies' pressures (Meijerink, 2013).

National policies are formulated by government agencies with the objective of increasing productivity and encouraging economic growth or, in some nations, encouraging employment of the resident workforce. The Macau SAR Government has implemented regulatory policies that ensure Macau's residents are employed as dealers (Chan, 2012). Similar policies are found in Singapore, with the Singaporean government implementing stricter measures to limit the intake and reliance on a foreign workforce. The relevant regulatory agencies disseminate policies to organisations and the government might contribute some form of financial assistance to the organisation, if the policy is implemented (Osman-Gani & Teng, 2009). The HR managers of the IR&H in Singapore and Macau will study the policies and translate them into HR practices that are suitable for local operations (Van Gestel & Nyberg, 2009; Almond, 2011).

Recent research has shown that HR practices and other organisational policies are subject to change by a range of social and institutional factors in the host country (Niels and Anne-Wil 2003; Almond, Edwards et al. 2005; Almond, 2011; Bratton & Gold, 2012; Brewster,

Houldsworth, Sparrow & Vernon, 2016). For example, government arrangements in areas such as finance, education and training and industrial relations will lead HR managers to translate national policies into practices that will help optimise the performance of the organisation. Suddaby (2010) identified three institutional pressures, namely coercive, mimetic and normative. These pressures can result in the organisations becoming similar because they comply with the same labour legislation (Meijerink, 2013). The HR policies derived from HR managers are then communicated throughout the organisation via line management. According to Almond (2011), HRM in multinational corporations is shaped by multiple power relations between employees and their representatives, the various levels of management and owners and their representatives. The various parties involved in the translation of the policies have some capacity to strategise and, therefore, influence the outcome of HR practices.

Research for this thesis will build on Shen, Chanda, D'netto and Monga's (2009) and Van Gestel and Nyberg's (2009) work on the three-dimensional framework for analysing the translation process of a national policy into organisational policy. In Figure 2.2, the first dimension, individual preference, constitutes those elements that the HR managers regard as preferences that reflect their own personal and professional trajectories in life (Shen, Chanda, D'netto & Monga, 2009). A person's educational background and social upbringing could have an impact on their professional views on certain HR policy.

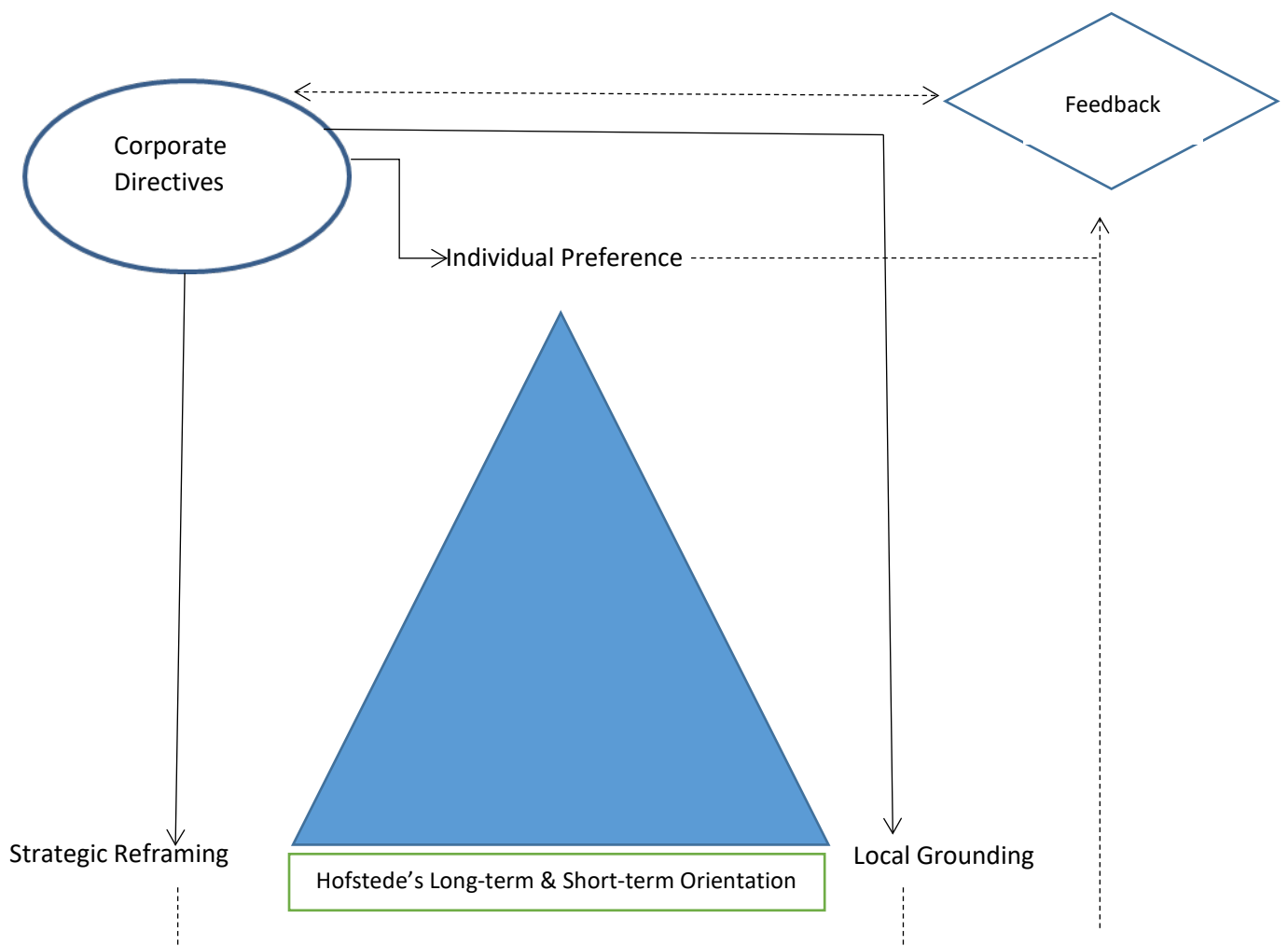
The second dimension, strategic reframing, encompasses how the policy refers to issues, such as financial targets, control and performance. When translating the national policies, the HR managers must bear in mind which reframing would be most appealing to the senior management in the firm. Implementation of the HR practices requires financial resources, hence there is a possibility that the translators will choose to emphasise financial performance. The wrong emphasis in the strategic reframing can create complications for the organisation, which can lead to the diminishing control of certain areas within the organisation or decrease in productivity and performance.

The final dimension, local grounding, considers the merging of national policy elements with the existing local routine and practices (Van Gestal & Nyberg, 2009). The research aims to discover, in detail, what the individual preferences are; for example, is the HR manager heavily influenced by his or her education, family, cultural and political background? The research will also determine whether corporate directives, and to a certain extent governmental pressures, could add another dimension to the translation process. The corporate HR director in the home



nation could have a final impact on the translation, with the directives sent to the individual translator enforcing the organisation’s goal and objectives. The directives could cause a ceremonial adoption, which could be a variable factor in this research, thereby having a spill-over effect on the other three-dimensional factors. According to Hofstede (2011), culture is the collective programming of the mind that distinguish one from the other group, the three dimensional framework in the figure below could also be influence by the Hofstede’s cultural dimensions. The level of power distance in cities such as Singapore and Macau could be high due to the fact that both are in Asia and are pre-dominantly Chinese society, with a certain level of Confucius values. This could see the long-term and short-term orientation derived from the Chinese value survey used in the data discussions in the later chapter.

**Figure 2.2: Three-dimensional framework plus corporate directives**



Different HR managers or managers within the same organisation regarded the practice of policies translation somewhat differently (Shen, Chanda, D'netto & Monga, 2009). A national HR policy passed through the legislation can be interpreted very differently, as the three-

dimensional factors listed in Figure 2.2 could influence the process. National policies are the common background shared by all three dimensions, with the exception of corporate directives that could be the independent variable influencing the direction of the translation process.

Using the three-dimensional framework, this research will look at how these three factors contribute to the translation process. The logic for examining IR&H is that they have been under-represented in studies of comparative international research in spite of the contributions to nations. According to Brewster, Houldsworth, Sparrow and Vernon (2016), the HR manager's role in translating and interpreting the institutional environment has received less prominence, without recognising the interpretative role and nature of the HR manager fully. It remains unknown how HR managers formulate and make sense of the institutional and corporate environment differently (Van Gestal & Nyberg, 2009; Brewster, Houldsworth, Sparrow & Vernon, 2016).

## **2.9 Research question**

The research aims to answer the following question:

- What impact does national employment policy have on human resources practices in the integrated resorts and hotels sector in Singapore and Macau?

## **Chapter 3**

### **Theoretical framework and methodology**

#### **3.1 Introduction**

This study aims to ascertain if a fourth dimension, corporate directives, is an influencing factor in the policy translation process of HR executives in the integrated resorts and hotels of both Singapore and Macau. The presence of major international multinational enterprises in both locations provides a source for the research to conduct semi-structured one-to-one interviews, then compare and analyse the interviews. How the qualitative procedure was undertaken is discussed in this chapter, as are some of the problems that were encountered.

Comparative research's major aim is to identify similarities and differences in the entities (Sage Publications, 2004, p. 152), as comparative research seeks to compare and contrast nations, cultures, societies, institutions and organisations. The trend appears to be towards defining comparative research as a method that compares systematically two or more nations, cultures, institutions and organisations (Sage Publications, 2004, p. 152). The comparative research approach is used not only in the gambling sector but in the hospitality industry as well (Nankervis & Yaw, 1995). There are many international hotel chains operating in both Singapore and Macau. Joint ventures or alliances between hotel chains and casino operators are formed for investment purposes in Singapore and Macau. Therefore, the study and the comparative methods are not restricted to one industry, but can be applied to others.

The research investigates how national policies affect the HR practices of the integrated resort and hotel industry in these two different locations. Both operations are located in different parts of Asia but share certain similarities, such as a colonial past, a population that has an ethnic Chinese majority, and no natural resources. Besides finding out how the national policies are going to affect the HR practices, the research allows the researcher to determine, within the organisation, which factor of the three-dimensional framework (individual preference, strategic reframing and local grounding) is more dominant.

The results will benefit organisations that have operations in multiple locations, as the data allows operators to estimate how much the HR practices of local operations diverge from corporate strategy, affecting people management and creating performance issues. The

research will investigate ten organisations operating in Macau and Singapore. The group corporate policies applied across all operations could be a moderating factor during the translation of the national policy into a HR practice that is the best solution for the business. Comparing two different organisations would not be advisable because different organisations can have different corporate policies and this could skew the results. In order to obtain data that is valid and accurate, the research was undertaken using a comparative embedded method and secondary data.

### **3.1.1 Sample size**

Sample size refers to the art of selecting the number of individual samples or pieces of data to be studied in a definite population (Hennink, Hutter, & Bailey, 2010; Rea & Parker, 2014). Since it is impossible to study the whole of a large population, researchers use sampling techniques to draw results on the basis of a limited number of individual samples which truly represent the entire population (Gogtay, 2010; Trotter, 2012). Deciding on the number of samples for a research study is quite a critical step for any researcher. Basically, during the determination of a sample size for this study, the researcher has to keep in view the number of participants that would be most suitable to conduct the research study appropriately and get reliable results (Marshall, Cardon, Poddar, & Fontenot, 2013). The researcher must watch over the research objectives and situation while deciding on the sample size and, at the same time, consider both statistical and non-statistical factors. Statistical factors include the achievement of research objectives, while non-statistical factors constitute financial, informational, human, and time resources available to conduct the research study in an effective and efficient way (Fosgate, 2009; Hennink, Hutter, & Bailey, 2010). Since sample size is one of the most important elements in an empirical study, the researcher must ensure that they can draw inference about the entire population on the basis of the results obtained using the sample (Rea & Parker, 2014).

### **3.1.2 Importance of sample size in a research study: large or small?**

When a researcher conducts a study from a large population of students, patients, customers, or members of the general public, it becomes impossible to collect information and data from the entire population due to the limitations or constraints of time, human, organisational, or financial resources (Hennink, Hutter, & Bailey, 2010; Trotter, 2012). Gathering data from a large population which is dispersed geographically or demographically, or due to various other reasons, is also impractical. Due to these reasons, the researcher selects a subset of the entire

population which can truly represent it in all aspects (Mason, 2010). Therefore, the results or outcomes obtained from the sample must be generalisable to the entire population and thus, the researcher must be able to infer their conclusion based on the outcomes of the sample. There are numerous factors which impact the representation of the population by the chosen sample size (Taylor, Bogdan, & DeVault, 2015). Firstly, the determination of the sample size of a study depends on the information which the researcher already has in hand (Hennink, Hutter, & Bailey, 2010). This information affects the confidence level and precision of that research study for the researcher. Since the researcher has to infer results of the entire population on the basis of the sample results, uncertainty always remains. This level of uncertainty is dependent on the size of the sample the researcher has determined, as well as the inconsistency of the data (Hennink, Hutter, & Bailey, 2010). If there is a lot of inconsistency in the population, then there will also be much uncertainty in the research study (Taylor, Bogdan, & DeVault, 2015). On the contrary, if the data is less inconsistent or has less variability, then the researcher will face less uncertainty in the research study. Similarly, if there is a large sample size which is a significant proportion of the entire population, then the uncertainty of the research study will be less; this is because the researcher will be more confident due to the maximum population being used in the research study as a sample. On the other hand, if the researcher uses a small sample size out of a large population, they will be less confident of its representation of the entire population, which is many times greater than the sample (Hennink, Hutter, & Bailey, 2010). In this case, the level of uncertainty in the research study increases. Therefore, with an increase in the sample size, the confidence of the researcher in the estimates is enhanced, the uncertainty reduces, and the precision of the research study increases, which are all positive signs for the researcher (Marshall, Cardon, Poddar, & Fontenot, 2013). A large sample size also enhances the chances of finding differences in the population, and also increases the reliability of the research (Rea & Parker, 2014). It enhances the precision while giving the researcher greater power to find differences. However, a large sample size costs the researcher in terms of more financial resources, time allocation, human efforts, and organisational skills (Fosgate, 2009). Therefore, it is imperative for the researcher to conduct an effective sample size estimation procedure before doing the research study, in order to ensure that the sample size chosen is sufficient enough to infer required outcomes (Mason, 2010; Taylor, Bogdan, & DeVault, 2015). They must decide a sample size which truly helps in achieving the desired results, but not large enough to cause a wastage of time, financial resources or human and organisational efforts (Fosgate, 2009; Hennink, Hutter, & Bailey, 2010).

### **3.1.3 Small sample size in a research study**

A large sample size gives a greater representation of the population (Trotter, 2012) and reduces the impact of outliers or unique observations (Kline, 1994). It also helps when inferring results from a large population of variables if they are significantly different. In a qualitative research study, a large sample size decreases the chances of failed results by increasing the base of available information and broadening the data range. While large sample sizes are blamed for causing high costs for the researcher due to an increased time commitment (Fosgate, 2009), as well as an increase in financial, human, and organisational resources, a small sample size may also be a waste of resources in case it fails to produce the desired results (Hennink, Hutter, & Bailey, 2010). On the contrary, a large sample size costs more than a small sample size, but it is a greater representation of the entire population and thus, gives more reliable and valid results than a small sample size (Mason, 2010).

Two of the biggest advantages of choosing a small sample size are the cost of conducting the whole research study, and the ability for the researcher to build a rapport with the participants in a relationship-based industry. Similarly, a large population consumes time, as a census of the whole population does. To avoid or reduce these costs and time factors, researchers are encouraged to use small sample sizes in such a way that the respondents chosen for the research study must represent the whole population appropriately (Hennink, Hutter, & Bailey, 2010). In addition, it is also considered unethical to use more than the appropriate subjects or data because it may be misused or over utilised (Kline, 1994). The opposing comments to these arguments are presented by Harriss & Atkinson (2013) who believe that it is unethical to use small sample sizes because of the lack of power in ensuring the reliability of the research study. Moreover, in a large sample size, there is more chance that people refuse to respond to the research survey, which is also a waste of time. A researcher should choose small sample sizes carefully and confidently, therefore reducing the chances of rejection by the respondents.

Researchers of both qualitative and quantitative research studies must keep in view the general guidelines and procedural rules pertinent to the selection and determination of samples and sample sizes for the research study; this will ensure the accuracy of the research, and eliminate the risk of sampling errors, large deviations of variability of the data, biases or favouritism. (Mason, 2010; Taylor, Bogdan, & DeVault, 2015; Hennink, Hutter, & Bailey, 2010; Neuman & Robson, 2014). Since sampling errors have a direct negative impact on the accuracy of the

results and overall reliability of the research study, the researcher must ensure that the sample can best represent the entire population and truly help in achieving the desired results.

### **3.1.4 Why small sample size is chosen for this research study**

Deciding on a small sample size for a research study refers to the selection of a very limited number of units or participants from the whole large population, which truly represent this population, so that the results obtained from the research using this sample can be generalised to the whole population with full confidence (Kline, 1994). Researchers have identified and explained numerous disadvantages and limitations of choosing a small sample size for research studies. These limitations and disadvantages include variability of data, which causes minor or major deviation from the population, non-coverage of important participants from the population due to time, financial, human and organisational constraints, and biases from voluntary respondents (Neuman & Robson, 2014). A small sample size is discouraged by researchers because it directly affects the statistical power of a research study. An empirical study conducted using a small sample size has less statistical power than one with a large sample size (Taylor, Bogdan, & DeVault, 2015). Despite these disadvantages and limitations, there are various motivations and positive reasons to choose a small sample size for research study. This section of the report comprehensively explains and justifies why a small sample size is chosen by the researcher for this study.

In a typical qualitative study, the researcher is often directed or encouraged to use a small sample size; however, it should be large enough to include all important perceptions which are essential to generalise the results to the whole population effectively (Hennink, Hutter, & Bailey, 2010). Charmaz (2014) believes that, by having all the important perceptions in hand, the researcher is able to obtain the required results and achieve the research objectives set before conducting the analysis.

The researcher has chosen a small sample size to benefit from a very small rate of response by the respondents. Since the researcher has only to take responses from a small group of people, the researcher does not take much time to complete this survey, interview, or investigation (Fink, 2012). The response time taken by a small sample size is advantageous for research studies which need to be conducted within tight deadlines or with minimum resources available (Hennink, Hutter, & Bailey, 2010). Secondly, in a small sample size, the number of illegible observations or responses is very low, increasing the strength of the statistical power and

contributing towards the enhanced reliability of the research study (Hennink, Hutter, & Bailey, 2010). With a small sample size, the researcher is able to put greater focus on the research objectives by keeping interest intact on these objectives. On the contrary, a large sample size often causes the researcher to lose interest due to length of time, and extensive human and organisational efforts (Fink, 2012). A small sample size also helps the researcher ensure that the questions designed for the current research study are achievable, the variables identified through a comprehensive literature review are effectively identified, and the study is being undertaken in the right direction (Taylor, Bogdan, & DeVault, 2015).

For this research study, the researcher wanted to complete the selection process of participants in a short period of time, realising that a small sample size gives the advantage of quick identification, screening, and final selection of respondents for a research study. A small sample size enables the researcher to complete the respondent selection phase in a short period of time. In addition, other factors give an edge to a small sample size over a large sample size, such as the number of respondents, their location, availability, personal and professional traits (as required and mentioned by the researcher in the *characteristics of potential respondents* section), and the sampling techniques to be used (Fink, 2012; Taylor, Bogdan, & DeVault, 2015). For a small sample size, the researcher needs very limited consultation with the community, in contrast to a large sample size where traits and characteristics differ at large (Kabagenyi, Jennings, Reid, Nalwadda, Ntozi, & Atuyambe, 2014).

A small sample size also enables the researcher to develop a strong rapport with the participants (Hennink, Hutter, & Bailey, 2010). In this research study, the researcher conducted in-person one-to-one interviews with the participants. Due to the absence of a checklist and an inclusion of open-ended questions, the researcher was able to have a long and extensive discussion with each participant taking part in the study individually. The interviews were as long as 60 minutes each, enabling the researcher to develop good relations with the participants. Establishing good rapport is one of the biggest motivations of using a small sample size for the research study. In contrast, establishing rapport is difficult in a large sample size; it is almost impossible to personally meet each of the participants and get engaged in extensive discussion with them, considering they are spread across different areas, cities, or even countries as in the current research study.

The researcher of this study chose a small sample size, enabling flexibility in choosing, modifying, and even replacing, the whole recruitment strategy for sample participants. The



nature of the hospitality industry is that it does not divulge much about human resource practices to 'outsiders', so getting a big sample using traditional surveys and questionnaires may not work. The answers could either be diplomatic or fake answers that would not contribute to the findings. In order for the researcher to conduct in-depth research into this industry, relationships need to be established with the selected respondents, as the hospitality industry is relationship-based. Through personal contacts, the researcher managed to arrange interviews with the Senior Vice Presidents or Directors of Human Resources of the integrated resorts and hotels in both Singapore and Macau.

For this research study, the researcher chose a one-to-one interview method, in which he conducted approximately 60-minute interviews with the human resource executives in Singapore and Macau. The researcher decided on a very small sample size of six (6) people per industry. Therefore, the total sample size of this research study reached twelve (12) participants from twelve (12) organisations in Singapore and Macau. A small sample size was chosen by the researcher to conduct interviews because it provides adaptability to the researcher as well as ease of follow up with the participants to ask their points of view in more detail and depth (Bell, 2010).

The scope of sampling is achieved when the sample size is small, enhancing the richness of the research. In contrast, when the sample is large, the research takes extensive time, which may cause the characteristics of the population to change by the time the research reaches its final stage (Kumar, 2011). It is necessary to achieve the scope of the research in high terms because the results should be generalisable to the whole population, and should remain the same after the research has been completed (Anderson, 2013). Since a small sample size significantly reduces the time taken by the research study, the scope of the sampling and the overall research remains high (Chawla & Sondhi, 2011). The small sample size assists in achieving a high degree of accuracy in the results (Mertens, 2014); there is a very limited area of operation in a small sample size, so the chances of human and statistical errors are significantly reduced (Daniel & Sam, 2015).

From the discussion about the reasons for, and benefits of, a small sample size, it can be concluded that the selection of an appropriate sample size is dependent on a number of factors, mainly constituting the research methodology or approach, the research objectives, the research questions, scope and limitations, and generalisability of the research (Trotter, 2012; Neuman & Robson, 2014). There are no hard and fast rules for choosing an exact number of people

from the entire population for a sample, in either qualitative or quantitative study (Neuman & Robson, 2014).

### **3.2 Comparative research method**

According to Ritchie, Lewis, Nicholls, and Ormston (2013), the comparative research method is a case-oriented and small-sample (N) technique. Its main objective is to identify similarities and differences between entities, which can be individuals, groups, organisations, networks or nations (Ritchie, Lewis, Nicholls, & Ormston, 2013). This allows researchers to understand the source of difference and explain distinctiveness (Collinson & Pettigrew, 2009). Using the comparative method to examine the national and regional diversity in international business gives researchers the opportunity to study the differences between locations that influence business activities and management behaviour (Collinson & Pettigrew, 2009). Collinson & Pettigrew (2009) state that diversity demands adaptability in individuals and in organisations as a response to cultural, social, political, institutional, environmental, economic, industrial and market variation. The comparative method is the best tool for measuring this variation and assessing its implication for business management (Collinson & Pettigrew, 2009).

The comparative method can be categorised into two approaches: qualitative approaches, which are largely case-based, and quantitative approaches, which largely use surveys to investigate the relationship between quantified input and output, or independent and dependent variables (Collinson & Pettigrew, 2009). Figure 4 shows that the Hsu, Woodside, & Marshall study (2013) consists of nation or region (1) and individual–individual (3) levels, as the research was conducted on individual employees of a particular organisation who were located in many different countries (Collinson & Pettigrew, 2009).

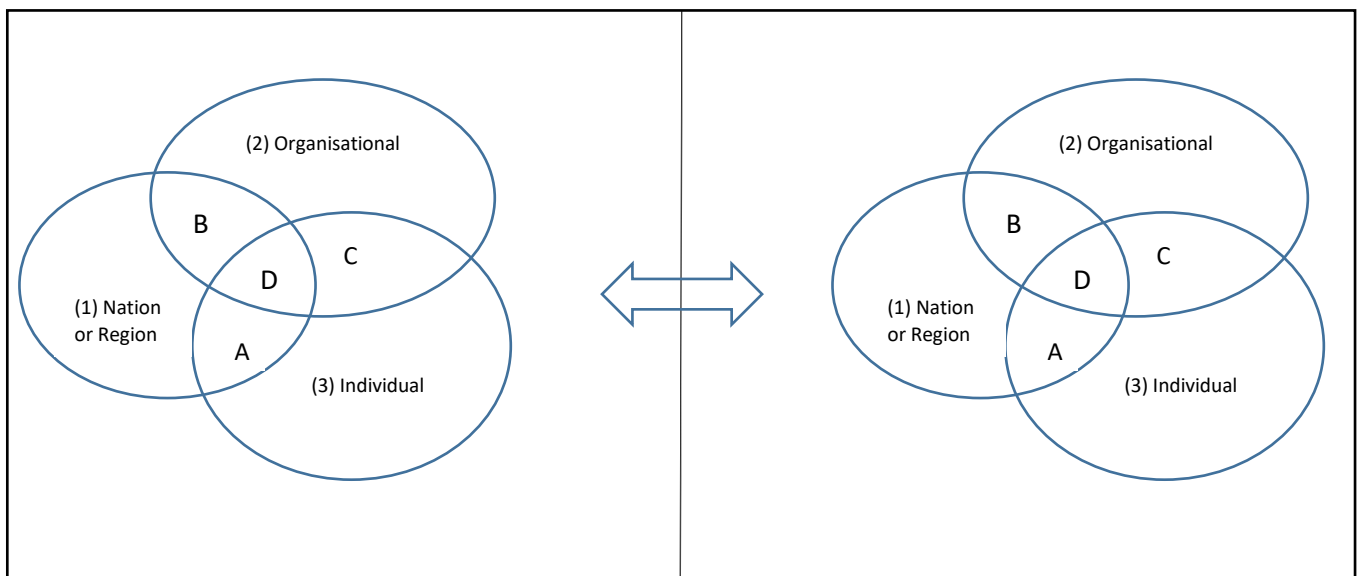
The proposed research will conduct an organisational–organisational (2) and national–individual (A–A) study to investigate how national policies are translated by different actors (HR managers) within the same organisation, with businesses located in two different regions, and which factor in Figure 3 is more dominant within the organisation.

According to Collinson & Pettigrew (2009), most international management research tends to be studies of single countries, examining non-Western business contexts and asserting – or implying – relative difference between the nations, organisations or cultures. Most studies did not collect and compare the empirical data from two or more countries, and the differences

were normally inferred from studies done in the past and accepted theories from Western nations.

The reason why the integrated resort and hotel industry was chosen for the research is that it has been under-represented in comparative research studies, especially in Macau and Singapore. There have been comparative research studies done of Human Resource Management (HRM) in the hotel sectors of Singapore, Australia, Thailand and Europe (Kazlauskaite, Buciuniene et al, 2002; Tooksoon, 2011; Bi, 2012; Brewster, Houldsworth, Sparrow, & Vernon, 2016) and this study will build on these. Additionally, the objective of the research is to look at the HRM practices of the integrated resort and hotel sectors in Asia, a growing area in the Asia-Pacific region, with the expansion of this sector caused by the growing middle class in Asia.

**Figure 4: Multiple level of comparative international research**



Source: Collinson and Pettigrew, 2009

### 3.2.1 Data collection

The research will be conducted using an approach that incorporates interviewing, as well as reviewing government policies and corporate data. Data that is collected specifically and is relevant to the research problem is known as primary data (Sekaran & Bougie, 2010) and can be collected using a variety of methods. For this study, a series of one-to-one interviews with the relevant HR and line managers of integrated resort and hotel operations in Macau and Singapore will be conducted. One advantage of the interview is its adaptability; the interviewer can follow up ideas, probe responses and investigate motives and feelings, which

questionnaires can never do (Bell, 2010, p. 161). According to Bell (2010), most interviews carried out in the main data-collecting stage of research will come somewhere between the completely structured and the completely unstructured point on the continuum. Freedom in allowing the respondents to talk about what is of central significance to them, rather than to the interviewer, is clearly important, but some loose structure is necessary to ensure that all crucial topics are covered. Hence, the guided interview will be used to satisfy these requirements. No checklist is used, but a framework is established by selecting topics to guide the interview (Bell, 2010, p. 165). Although specific questions are asked, the respondent is given a considerable amount of freedom within the framework to talk about the topic and give their views. Because there is little direction from the researcher, the interviewees can talk about things in detail and depth. The meaning behind the actions or translations may be revealed due to minimum interference from the researcher. The interview method uses open-ended questions, which could give the researcher more information on the subject. For this type of interview to produce good results, the interviewer will need to have the skill to ask appropriate questions and, if necessary, to probe at the right time (Bell, 2010, p. 165). The interviewer will take notes and record the interview; however, no names will be used in the research for privacy and confidentiality reasons. The researcher will assure the interviewees that the audio recording will be used solely for research purposes, and a confidentiality statement between the interviewer and interviewee can be signed to put the mind of the interviewee at ease; this can increase the trust between both parties, which can lead to a more open and informative interview.

According to Ritchie, Lewis, Nicholls and Ormston (2013), comparative research methods use a small but purposeful sample technique, where the purpose is to select information-rich cases for study in depth (Mertens, 2014; Tooksoon, 2011). In this study, the researcher will be firstly conducting interviews with the decision makers in the organisations, such as HR managers, executives, and the HR teams that translate national legislation into HR (recruitment and retention) policies. The second group will consist of the line managers/supervisors of the various departments; this will include departments such as gaming (croupiers, cashiers, slot technicians), VIP guest services, member services, security, events, food and beverage, retail, and front office (hotel). The interviews are expected to take 60 minutes per person. The researcher will be looking at a sample size of 10 to 12 per organisation, including HR, line managers of the various departments (guest services/front desk, food and beverage, sales and events, housekeeping, gaming, and finance) hence the total sample size for the entire research

is expected to be around 100 for ten organisations. In order to conduct a more comprehensive study, the research aims to capture data from five integrated resorts and hotels (IR & H) in Macau and five in Singapore. Figure 5 shows the list of IR & H that the researcher will be focusing on. The organisations are either selected based on their comparable size, or the fact that the same organisation operates in both locations.

**Figure 5: List of integrated resorts and hotels for research**

<b>Integrated Resort &amp; Hotel (Macau)</b>	<b>Integrated Resort &amp; Hotel (Singapore)</b>
Grand Lisboa	Resort World Sentosa
SANDs Macau	Marina Bay Sands
Galaxy Macau	Shangri-La
Holiday Inn Macau	Holiday Inn Singapore Orchard City Centre
Pousada De Mong Ha	The Scarlet Singapore

The research consists of an interview with the HR executives. A guided interview will be conducted at the location stipulated by the participants and, to prepare the participants for the interview, a brief outline of the interview questions will be emailed to them before the scheduled interview. The researcher needs to build a rapport with the participants so that the whole interview session can be as relaxed as possible, thus obtaining as much information as possible.

The researcher will be making use of secondary data to complement the primary data obtained from the interviews. Secondary data such as employment figures, and the age, gender, and education of the employees, can be obtained from government institutions in both Macau and Singapore. The companies' annual reports and the evaluating reports from the banks or central bank can provide other sources of secondary data for the study. Having primary and secondary

data provides the researcher with a helicopter view of the research as a whole, detrimental to the study.

The nature of the research means there is a possibility that the researcher could come up with unexpected questions in the latter half of the data collection, which could be an important factor in the research. To ensure that this is included in the study, the researcher could either do a face-to-face or email follow up with the participants who were interviewed earlier.

## **Chapter 4**

### **Findings and analysis (Singapore)**

#### **4.1 Introduction**

This chapter deals with an analysis of the findings from the interviews conducted in Singapore. The chapter begins with a discussion of the political and labour environment of Singapore, how this influenced the legislation and the decisions made by the organisations. Secondary data collected from published sources was used to gain as much background knowledge as possible about Singapore's labour environment prior to the face-to-face interviews with Human Resources (HR) directors/managers. It is the responsibility of the HR manager to ensure there is adequate supply of the required workforce to run the daily operations of an organisation. This is achieved by working closely with other department heads to develop plans for recruitment, retention and training (Brewster, Houldsworth, Sparrow & Vernon, 2016).

According to Albrecht, Bakker, Gruman, Macey and Saks (2015), the interventionist nature of the Singapore Government has seen labour policies introduced into the workforce via the Ministry of Manpower, such as the quota and levies for the foreign workforce. Foreign workers are usually categorised into S-Pass or work permit holders, with work permit holders generally either unskilled or semi-skilled. These changes could alter the demographics of the workforce within the organisation and increase the expenditure of the organisation. Thus, the HR manager has to keep track of the changes in the labour market and inform the stakeholders.

Interviews with HR executives for the Singapore-based Integrated Resorts and Hotels (IR&H) were conducted in June and July 2015. One of the questions posed to the HR director/manager was the frequency of HR policies being reviewed due to changes in the national employment regulations. Some managers reviewed their HR policies when new national regulations were introduced, while others did a yearly review regardless. Review and the translation of the national employment policy involve not HR but in many instances the organisation's legal department. Adopting the national employment policy would require HR to have a certain level of legal knowledge, especially relating to employment relations. It was uncovered in the interviews that some HR personnel have a legal background.

## **4.2 Labour permits in Singapore**

In a free market economy, labour is one of the contributing factors of production that is determined by the market forces of supply and demand. Labour supply may be defined as the total number of people willing to offer their services (Brewster, Houldsworth, Sparrow & Vernon, 2016). The supply of labour depends on the basic demographic factors such as population size, births, deaths and migration patterns, the age structure of the population and the retirement age. For a specific profession, the supply of labour also depends on factors such as the number of years of education and training required, entry restriction (qualification and work experience), government quotas and permits (Brewster, Houldsworth, Sparrow & Vernon, 2016).

With a small population, Singapore's economy could suffer when the population ages and workforce shrinks due to retirement. According to a report by Kitano and Aravindan (2015), instead of relaxing the foreign-worker policy to ease the labour crunch, the Singapore Government tightened foreign-workers regulations after it suffered its worst performance in the 2011 election. The change in labour policy resulted in higher foreign-worker levies and stricter quotas for all industries. The service industry, inclusive of IR&H, is allowed to employ foreign labour at no more than 15 per cent of the total work force within the organisation (Ministry of Manpower, 2015a).

### **4.2.1 Work passes and permits**

The foreign workforce in Singapore can be classified into professional, skilled and semi-skilled; the work permit held differentiates each group. Table 4.1 lists the different available permits for the professional category and for whom the permit applies.



**Table 4.1: Professionals, skilled and semi-skilled**

Pass type	Who is it for?
Employment Pass	For foreign professionals, managers and executives – candidates need to earn at least \$3,300 a month and have acceptable qualifications
EntrePass	For eligible foreign entrepreneurs wanting to start and operate a new business in Singapore
Personalised Employment Pass (PEP)	For high-earning existing Employment Pass holders or overseas foreign professionals – the PEP offers greater flexibility than an Employment Pass
S Pass (Skilled)	For mid-level skilled staff – candidates need to earn at least \$2,200 a month and meet the assessment criteria
Work permit for foreign workers (semi-skilled)	For semi-skilled foreign workers in the construction, manufacturing, marine, process or services sector

Source: Ministry of Manpower (2015b)

The most commonly used work permit category is the work permit for the semi-skilled labour; this is shown in Table 4.2, which gives a breakdown of the number of passes issued over a five-year period (2010 to 2015). The post-2011 labour restriction can be clearly seen from the table: the number of Total Foreign Workforce decreased from the high total of 79,800 (991,600 subtract 911,800) in 2010, to 26,100 (1,141,100 subtract 1,133,200) in 2014 (Ministry of Manpower, 2015c).

**Table 4.2: Foreign workforce numbers**

Pass Type	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Dec 2014	Jun 2015
Employment Pass (EP)	143,300	175,400	173,800	175,100	178,900	180,800
S Pass	98,700	113,900	142,400	160,900	170,100	173,800
Work Permit (Total)	865,200	901,000	942,800	974,400	991,300	993,900
Total Foreign Workforce (excluding Foreign Domestic Workers)	911,800	991,600	1,058,700	1,107,100	1,133,200	1,141,100

Source: Ministry of Manpower (2015c)

The decrease in foreign labour has a knock-on effect for most industries in Singapore. This is obvious in the labour-intensive sectors such as ship/oil rig building, construction and hospitality (Kitano & Aravindan, 2015). The number of S Pass and work permit holders that a company can employ is capped at a sub-Dependency Ceiling (sub-DC). The sub-DC refers to the maximum permitted ratio of foreign workers to the total workforce that a company is allowed to hire. The Ministry of Manpower states that the sub-DC for a service industry organisation is 15 per cent of total headcount, while it is 20 per cent headcount for the remaining sectors (Singapore Company Incorporation, 2014).

During the interviews with HR executives, the issue of how it was suspected that larger organisations were able to skirt around the sub-DC quota was raised. This chapter will present and discuss the findings from the interviews.

### **4.3 Description of interview participants**

Due to the humanistic requirements of the research, the participants chosen were based on a few criteria. Firstly, the organisations are both Integrated Resorts (IR) and hotels within a seven kilometre radius from the Marina Bay area. Secondly, the IRs were picked to establish an equal comparison with their counterparts in Macau. Hotels with operations in both Singapore and Macau were the first choice of participants. Due to the difficulty getting HR executives to agree to the interview, the researcher had to explore other alternatives by selecting hotels of the same size in terms of room capacity and star ratings. Thirdly, the US-based IR was selected because it was the first IR to enter Singapore and Macau, in a market that is similar due to labour shortages. The other group of participants was selected because participants belong to the same international hotel chain that had operations in both cities, which is ideal for the study, as corporate headquarters might dictate or intervene in the local HR practices and policy of the local subsidiaries. The selection of these organisations enabled a thorough study of the factors that influence the translation process of HR executives. As the entire interview would be conducted in English, it was important that participants meet the language criteria of the research. With an emphasis on HR, the HR directors or senior vice presidents of the human resource department were recruited through a close intermediary for the interview. One reason third-party contacts, or intermediaries, were used in the process of making contact with HR executives in Singapore was due to the unwillingness of HR personnel to speak to ‘outsiders’ or people they do not know.

Having an intermediary who is trusted by the HR executive does open the door for the researcher to send the initial introductory email across to the potential participant. In this phenomenon, also known as the research gatekeeper syndrome (Ng & Ogle, 2016), the HR executives were not willing to deal or talk to people who are complete strangers and answer questions that could be sensitive. Initial cold calling by emailing resulted in a non-response from potential candidates. A second round of emails was sent to the potential candidates again, hoping to achieve a 20 per cent response rate, but the result was not what the researcher had anticipated. To achieve the minimum target of five participants in Singapore, an alternate

method had to be considered, so close associates of the researcher were asked if they knew anyone working in the hospitality industry.

Through the associates, the researcher obtained leads to the HR executives for the first time. With the role of the gatekeeper shifting to the associates, the task of initially screening the interviewer or external source falls to the gatekeeper, which is either the final or second-last stage before emailing the potential candidate. This was evident in all the interviews obtained in Singapore. The HR executive (Senior Vice President) in IR1 was a former colleague of an associate who knows the researcher. During the interview with the HR executive, it was revealed that the interview was granted due to a personal favour owing to the associate. SG2 was established as a participant with the researcher conducting the interview in Macau, and then seeking a recommendation from the HR executive (Vice President) of organisation MA2 to get in touch with the HR equivalent in Singapore. The whole process took three months and two emails before the HR executive (SG2) responded. This was considered a reasonable timeframe for the response, since some respondents took eight months to reply, even on recommendation from the associate.

Due to the confidentiality of the research, Table 4.3 provides the respective HR executive with a code that differentiates the respondents in Singapore from the Macau.

**Table 4.3: Profile of the interview participants in Singapore**

<b>Position</b>	<b>Organisation</b>	<b>Code</b>
Senior Vice President	IR1	SG1
Vice President of Human Resources Assistant Director of Human Resources	IR2	SG2
Director of Human Resources	H3	SG3
Manager of Human Resources	H4	SG4
Director of Human Resources	H5	SG5

According to Chung (2011), a formal structure provides an incomplete picture of how executives develop connections. In their social setting, executives also meet others of their own choosing and strive to build personal dependence in addition to formal structure dependence (Chung, 2011). Two persons or a group of people (Chung, 2011) can define informal relations, or ‘guanxi’ as it is known in Southeast Asia, as a commonality of shared identification.

#### **4.3.1 Relationship/guanxi in the research**

One difference to note between the HR executives in Singapore and Macau is the informal relationship among the HR personnel in Singapore. The relationship between SG3 and SG4 was significantly different from the collegial relationship of SG2 and MA2 in Macau. The intricate relationship of SG3 and SG4 can best be described as both mentor/mentee and colleague; it was through SG3 that the HR executive for SG4 was recommended as a potential participant. According to the participant SG3, they were former co-workers within the HR department of the same property-related organisation in Singapore. The camaraderie remained strong even though both had left the organisation. With a strong recommendation from SG3 (gatekeeper), the barrier, or mistrust, was non-existent. An appointment with SG4 was set up

over a few mobile text messages. Prior to permission being granted for the interview, the researcher had to promise the HR executive of SG4 that there would not be an audio recording. It was clear that the interview was conducted based on a personal favour, much like the respondent SG1. Table 4.4 shows the type of informal relation that exists between all three pairs.

**Table 4.4: Informal relations, gatekeeper and the participants**

No.	Informal Relations Bases (guanxi)	Singapore Participants Pairing	Gatekeeper
GX1	From workplace to a friendship/guanxi	SG1 & associate (former colleague and superior)	Associate
GX2	Workplace guanxi	SG2 & MA2 (colleagues from same chain but different locations)	MA2
GX3	From workplace to a friendship/guanxi	SG3 & SG4 (former colleague and mentor/mentee)	SG3

For the ease of description pertaining to this chapter, the three instances of informal relation bases are given the code GX1, GX2 and GX3. Based on the pairing in Table 4.4, it is obvious that the gatekeepers are the people having the immediate relationship with the participants and this relationship, or guanxi, is transferrable (Chung, 2011). In the case of GX1, the researcher has guanxi /an informal relationship with a family member and the family member is a friend of the younger brother of the associate (YBA), so then the younger brother can introduce or recommend the associate to the researcher. Otherwise contact between researcher and the HR

executive of SG1 would be unlikely (Chung, 2011). For this reason, formal correspondence requesting a research interview will not usually attract any reply from HR personnel until direct personal contact has been established. The success of transferrability depends entirely on how satisfied the associate feels about his informal relations (*guanxi*) with the younger brother and SG1. Transferrability also means that *guanxi* is different from friendship (Chung, 2011). Informal relations (*guanxi*) is not the only concept found in all three instances—in GX1 and GX3 there are indications of another related concept—‘*renqing*’ (affection), which is the unpaid obligations resulting from invoking a *guanxi* relationship (Chung, 2011). Another point derived during the selection of the participants is the background similarities of most participants. All participants in Singapore are of ethnic Chinese background. According to Chung (2011), the Chinese not only weave networks of *guanxi* (informal relations), they also weave webs of *renqing* obligations that must be repaid in future. That was the case with the HR executive of SG1 and SG4, where both interviewees agreed to the interview because of their informal relations and *renqing* to their associates/gatekeepers.

According to Chung (2011), red tape and lengthy business procedures can be avoided or shortened if an element of friendship and corresponding credibility is present. This was clearly reflected in the manner the participants were recruited. The importance of informal relationship played a crucial role in obtaining the research data in Singapore.

#### **4.4 Findings and discussion**

This chapter will explicitly emphasise the analysis of the qualitative data obtained from the interview with the HR executives in the selected hospitality organisations in Singapore. The interviews were transcribed using a professional transcriber who understands the language and ‘lingo’ that comes along with it, as the researcher anticipated a certain degree of ‘singlish’ (a mixture of English and Singaporean dialects) during the interview. The transcribed data was put through the Nvivo software, whereby a search for certain keywords is done on all interviews, which enabled the researcher to then identify the relationship for subsequent analysis into factors (personal or corporate) that influence the translation of the national policy into HR practices.

The three-dimensional theory suggested by Boxenbaum in the literature review states that strategic reframing, local grounding and individual preference each have a role in the translation of HR policy. Early indications from the transcribed data show education and, to a

certain extent, past working experience play a part in the translation process. The extent corporate influence has on the translation will be looked at and discussed in this chapter, in which the researcher will attempt to draw on the results and determine if corporate directives can be a fourth dimension in the Boxenbaum model. From a different angle, all the participating organisations are either based in Singapore or Macau, or are predominantly Chinese in population. The Chinese influence can be seen in Hofstede's long-term and short-term orientation, and the three-dimensional model is built on top of Hofstede's long-term orientation.

The interview data should show some characteristics of the long-term and short-term orientation due to the locations of the organisations. The findings could uncover other phenomena that have an impact on the translation of the national policy or other areas for further research.

#### **4.4.1 Professional qualifications**

Individual preference is one of the dimensions mentioned in the Boxenbaum model. This particular dimension consists of education, family background and previous work experience, and for some of the participants, there might be the influence of mentors in their HR practices if they undertook a mid-career switch. Table 4.5 provides a breakdown of the educational background of participants, and shows all the participants in Singapore had received at least an undergraduate degree in diverse fields. Only 40 per cent of the participants were trained in Human Resources management (HRM) in their tertiary studies. The remaining 60 per cent hail from diverse backgrounds such as law, business management and hospitality, which are totally non-HRM related. Of the three participants (60 per cent) the HR executive (SG3) of H3 was a lawyer in Kuala Lumpur, Malaysia, prior to getting a HR job in Singapore.



**Table 4.5: Participants' educational background**

Participant	Organisation	Highest standard	Area of study	Overseas/Local qualification	Local resident of Singapore
SG1	IR1	1 Degree 2 Master	HRM	Local (Singapore) Overseas (UK)	No
SG2	IR2	Degree	Business Management	Overseas (US)	No
SG3	H3	Degree	Law	Overseas (UK)	Yes
SG4	H4	Degree	HRM	Overseas (Australia)	Yes
SG5	H5	Degree	Hospitality (Hotel)	Overseas (Australia)	No

Forty per cent of the respondents are local residents of Singapore, while 60 per cent of the HR executives grew up in Malaysia. Given the proximity between Singapore and Malaysia, and the history that both countries share, participants SG1, SG2 and SG3 share the same set of upbringing and educational values as their Singaporean counterparts. This is an important factor for the investigator, as the cultural dimensions of both Singapore and Malaysia are similar. Table 4.6 shows similarity in three of the five dimensions. According to Browaeys and

Price (2011), culture does have an influence on the corporate planning, which in this instance is the translation process. The close similarities in culture among the Singaporean and Malaysian HR executives are reflected in the interviews below and the questions thereafter.

**Table 4.6: Cultural dimensions between Singapore and Malaysia**

		<b>Power Distance</b>	<b>Individualism</b>	<b>Masculinity</b>	<b>Uncertainty Avoidance</b>	<b>Long Term Orientation</b>
<b>Singapore</b>		<b>74</b>	<b>20</b>	<b>48</b>	<b>8</b>	<b>72</b>
<b>Malaysia</b>		<b>100</b>	<b>26</b>	<b>50</b>	<b>36</b>	<b>57</b>

Responses to question 1 were quite similar, as 80 per cent of interviewees stated that education and experience did have an impact on them during translation of the institutional policy to HR practices. This was evident during the interview with HR executives SG1, SG2, SG3 and SG5. The exception was SG4, who did not agree that education had a role in the translation process.

**SG4: “The organisational culture may influence policy interpretation but education does not really play a part.” (2015)**

The fourth respondent, SG4, during the interview indicated that organisational culture is the one factor that plays a significant role during the translation process. This statement was significantly different from the rest of the interviewees. In many Asian societies, it is assumed that humans should blend into nature or even make themselves submissive to nature (Schein 2009). In the organisational arena, this can be seen as a form of submission by the relevant department, and thereby have a certain degree of corporate influence during the translation process.

The other interviewees had indicated a different view on the same question during the interview. Both SG1, SG2 and SG3 stated that experience, education and local knowledge play a part in the translation process. The different educational background enabled the HR executives to look at the institutional policy from a different point of view. For instance, SG3, who was not HR-educated, was able to look at things from a different perspective using either

the business or corporate context lens, hence SG3 was able to apply the legal knowledge acquired in a previous career. Applying previous work experience into the policy translation was also found in the interview of SG1. Both SG1 and SG3 were not the only interviewees who emphasised using their experience and education during the policy translation process.

**SG1: “Had a degree from NUS in Human Resources and subsequently a Masters degree from UK... changed from HR in the sense that my very first role was in the government sector where I would probably start off with some HR portfolio, and then I took it from there. Along the way, I did have a change of portfolio. It was just like about one year ago I was in corporate. I was in casino compliance for about two years before I came back to HR. So, my education experience, it played a part during national policy translation...” (SG1, 2015)**

SG3 had a significantly different path into human resources, starting out as a lawyer in Kuala Lumpur, and was much involved in the corporate environment and had a career change when relocating to Singapore with family.

**SG3: “I have a bachelor degree in law which was from a UK university, which leads on to your second question, yes I had a career change. Not so much from operations to HR, more from a corporate setting into a more operational HR because it was of an operational hotel HR. From a corporate environment to an operational environment.” (2015)**

The legal training SG3 acquired not only enabled SG3 to read the national employment policy and simultaneously ‘comply’ with the national regulations, but also ensured that daily operations functioned without disruption.

**SG3: “I suppose in that sense I could maybe give a different perspective like, “is this maybe workable in the more realistic role” rather than, if you say if it is a national policy, if I am from HR, usually the compliance is always there. But having said that, you know, sometimes we need to tailor it a little bit, maybe because let’s say, for example, if you were to use Singapore Government, where they are looking at foreign workers quota. They are tightening the foreign workers quota because they want to encourage you to hire locals. But having said that, yes, we need to comply but realistically speaking, there are always jobs that the locals don’t want to apply for. So, if you were to go on that basis, then I would never be able to find any locals. So I will have tilt it a little bit to say that, “yes, I**

**will still have to hire my base of foreigners so that operations go on, but at the same time, of course, if let's says a local comes along then we will then employ.” (2015)**

The difference in education and working experience was shown during the conversation with the participants. An overwhelming 80 per cent of respondents as shown in Table 4.7 indicated that experience played a part in the formulation of HR practices.

**Table 4.7: Educational influence on HR policy**

Participants	Responses from participants on the issue of educational influence on HR policy
SG1	Okay, I think it does play a part in understanding Singapore’s policy because I am local here, so I would probably have a threshold to accept whatever national policy the government rule.
SG2	When you are trying to make a decision, or trying to roll out a new program, a new policy, you’re really looking at all your experience in trying to make decisions that incorporate all of it.
SG3	I think the education part or the culture experience obviously plays a bigger role. Because at times you look at it from a flip side, is that I don’t come with the knowledge of HR, I actually come in looking at it from a different angle, like given my legal training, given my corporate training, and then trying to apply that to HR. Technically I cannot say whether it is a good thing or a bad thing, but then it just gives me a different perspective. Because I worry always is that HR, if you have a traditional HR training it becomes quite theoretical and then you might not be able to see, let’s say, in a business context or a corporate context. So I think that one probably gave me a little bit of an edge.

SG4	The organisational culture may influence policy interpretation but education does not really play a part.
SG5	Education does play a part during the translation or looking at the national employment policy. There are a few different nationalities within the HR and policy team and sometimes we do have arguments on what a certain regulation means and how this is best for the local HR practices. My experience with governance in the last job has given me a different view when looking at national policy.

The data obtained by the research show 40 per cent of participants have a HRM degree, and SG4 was the one participant considered a pure HR practitioner, according to the interview statement as follows:

**SG4: “Undergraduate degree in HR from RMIT. Started in the Human Resources department after graduation and progressed through the HR field over the subsequent 10 years.” (2015)**

The career route undertaken by SG4 in the past decade since graduation has set the way and method on how translation of the national policy is looked at within the organisation H4.

As observed in the literature review, the influence of professional qualification on the translation of national policy is clearly visible in the findings: 80 per cent of the respondents incorporated both factors (professional and work experience) into their translation of the national policy into HR practices. Experienced employees bring a different understanding of the organisation and solutions to the issues that the organisation faces. The experience accumulated while in their previous role, either within HR or other functions of the organisation, trained the executives to read and interpret policies differently due to the different requirements of the departments. Modern organisations are learning organisations, which facilitate the learning of employees through on-the-job training while at the same time constantly transforming themselves. The participants took along with them the set of skills they had acquired and implemented what they had learned into their new HR roles. The mentality of putting one’s learning to use is found not only within eastern cultures, but also in western cultures.

#### **4.4.2 Personal values and workplace**

Value plays a part in people's decision-making process, hence decisions made by different cultures will differ in their appraisals of how good or bad particular options are. (Yates and de Oliveira 2016). According to Jassin, Sheikh, Obeid, Argo and Ginges (2013) and Yates and Oliveira (2016), people will have some form of 'sacred values' which are untouchable or even immune to any trade-off. This section looks at the values the participants have, the common ones that appeared the most number of times, and whether any of these values were included into HR policy.

On analysing the second question on whether personal values of the participants were incorporated into the workplace through the HR practices, the majority of participants indicated in question 1 that some form of their values, experiences and educational knowledge were incorporated into the HR practices. Integrity and equality were values most talked about by the participants. Twenty per cent of participants emphasised integrity and ethical values, as these two are considered important within the hospitality industry due to the amount of customer information that is collected daily. A genuine interest in wanting to help others and equality were the other values mentioned by respondents.

The values that appeared the most number of times during the interview were integrity and hard work. The participants mentioned both values three times each separately. SG5 was the only interviewee who incorporated both values into HR practices. One commonality in participants outlined in Table 4.8 is the nationality of HR executives SG1 (Singaporean), SG4 (Singaporean) and SG5 (Singaporean). All three participants are local Singaporeans, while SG2 and SG3 are American and Malaysian respectively. In a predominantly Chinese society, Singapore is indirectly influenced by Confucian values (Brannigan 2010), as most of the ethnic Chinese population in Singapore can trace their ancestry back to China. Confucian values are found not only within education, but also in the society, The three participants who indicated hard work and integrity as values are ethnic Singaporean Chinese and would have been influenced by Confucian values.

Based on the data collected from the interview, 100 per cent of participants indicated incorporating some if not all their values into HR policies. During the interview, respondent SG3 raised that one of the factors looked at is a candidate's operational experience. According to SG3, a mix of experience staff and young employees would be a good blend.

**SG3: “That means I would look for somebody with some education background, and I will look for somebody with operational experience, so because you put them together you have a mixture, just like, for example, mixed generation. I cannot have all youngsters, and again I cannot have all seniors either.” (2015)**

From the interview, there are strong indications that SG3 would prefer experience, or employees who want a mid-career change. This is a reflection of SG3, who had a career change and therefore a preference for potential candidates with a similar background.

**SG3: “Because I am one of those who made a career switch, I tend to also look at people who are willing to do a big career switch; looking at them for their personality maybe, adaptability, and even potential for training, potential for growth, rather than just, you know, “I only want let’s say HR trained to do HR.” (2015)**

**Table 4.8: Values of respective HR managers incorporated into the firm**

Interviewee	Organisation	Values	Incorporated into HR policy/department
SG1	IR1	<ul style="list-style-type: none"> <li>• Integrity</li> <li>• Passion to help others</li> <li>• Impartiality</li> </ul>	Yes
SG2	IR2	<ul style="list-style-type: none"> <li>• Equality</li> <li>• Hardworking</li> </ul>	Yes
SG3	H3	<ul style="list-style-type: none"> <li>• Motivation</li> <li>• Hardworking</li> <li>• Teamwork</li> <li>• Adaptability</li> </ul>	Yes
SG4	H4	<ul style="list-style-type: none"> <li>• Integrity</li> <li>• Ethical</li> <li>• Mutual respect</li> <li>• Relationship</li> </ul>	Yes
SG5	H5	<ul style="list-style-type: none"> <li>• Hardworking</li> <li>• Integrity</li> <li>• Honesty</li> </ul>	Yes

To further see the number of times each value appears, a breakdown in Table 4.9 shows exactly the frequency each value was mentioned during the interview. Of the values that appeared once, equality was one of them. This value can be translated into equal employment opportunities within the organisations, or to treat all employees as equal regardless of their position. HR



executive SG2 talked about the value of equality during the interview and coming from the United States (US), where the level of power distance is considered lower than many Asian countries, especially Singapore (Insights, 2018). An organisation with low power distance will indicate a low level of hierarchy that will see the organisation having a flat reporting structure that allow staff to communicate with freedom and equality.

Equality is a value that SG2 was brought up with in the US and this particular value was applied to the HR policy and department that SG2 leads. What Tables 4.8 and 4.9 show is that HR executives do in fact bring their own values into local HR practices during the translation of national labour policy.

**Table 4.9: Number of times a value appears**

<b>Values</b>	<b>Number of time it appears (out of 16)</b>	<b>Percentage</b>
Integrity	3	18.75%
Passion to help others	1	6.25%
Impartiality	1	6.25%
Equality	1	6.25%
Motivation	1	6.25%
Teamwork	1	6.25%
Adaptability	1	6.25%
Ethical	1	6.25%
Mutual respect	1	6.25%
Relationship	1	6.25%
Honesty	1	6.25%
Hard work	3	18.75%

All five participants are of ethnic Chinese background, even though 60 per cent of interviewees are from Malaysia—due to the proximity as discussed in 4.4.1, the cultural and personal values of both the Malaysian and Singaporean Chinese are similar given the common ancestry. According to Kim (2010), Asian values do exist and Asians, like people of any other region, hold their own cultural norms, rituals and traditions inherited from their histories. In the research conducted by Kim (2010), one factor that features strongly in the findings is that “one should follow one’s superior’s instruction even if one does not fully agree with them”, and Asians are usually held up to strong norms such as hard work and thrift. These values are synonymous with Confucianism, which spread to the Southeast Asian nations due to the migration of Chinese nationals southwards in the late nineteenth and twentieth centuries. The values of hard work, thrift, integrity and loyalty were passed from generation to generation. This was shown during the interview where 100 per cent of participants indicated implementing their own values during the translation process. The findings show that both *integrity* and *hardworking* values appeared three times each, which is 18.75 per cent. Both are core values found in Confucianism, which is an important part of the respondents’ upbringing. The results reflect similar results collected by other researchers (McGuire, Garavan, Saha and O’Donnell, 2006) as values do have an influence on corporate cultures and HR practices.

#### 4.4.3 Mentors

“A mentor is generally a person which possesses certain qualities or is in a position of authority, and who kindly watches over a younger individual so that he may benefit from the mentor’s support and advice.” (St-Jean and Tremblay 2011)

One of the biggest benefits a mentee will learn from the mentoring relationship is the learning which ensues from discussions with the mentor.

Most people will have either a mentor or mentors in their life and career. It might not be a professional mentor but could be a family member. A mentor is seen as a teacher or counsellor who shares the knowledge they have accumulated over years of work (Doffing 2016), and who is willing to share not only their work, but also, for some mentors, their life experiences to less experience staff. Having a mentor allows the mentee to learn about handling real-life situations by seeking, through discussion, the advice of the mentor, who might have gone through a challenging incident before (St-Jean & Tremblay 2011; Doffing, 2016). There are some who

do not have an official mentor, but rather informal mentors such as friends, or a former superior from whom they learned their knowledge by observing them.

The data obtained through the interviews revealed that 80 per cent of participants had some form of informal mentorship throughout their working life. These include managers or senior vice presidents from a different department or even the different superiors they worked with during their career, each influencing the participants in some way or another.

The third respondent, SG3, was the only HR executive who indicated during the interview that the career change from legal to HR was partly due to the influence of the mentor. SG3 was asked if the working style of the mentor in the HR department changed the way SG3 worked, especially in the HR department, as the job scope, task and handling of personnel are different in the legal arena.

**SG3: “I think probably the initial because I had two mentors to start with. The formative one was because that one I didn’t have a lot of HR training, so what I did was a lot of my HR training. The way I saw things, I picked up from him, and I was lucky to a certain extent because he was very fair, although he’s the old-school type, which means if you make a mistake, he will be shouting. But then I’m glad I didn’t pick up that portion from him.” (2015)**

From the reply, SG3 was under the tutelage of an experienced mentor during the career switch, given that SG3 did not have much HR experience. Much of the HR training was done by observing the mentor’s action and responses to a certain situation. An important point was brought up by SG3 in that the HR executive had two mentors during the career switch to HR.

**SG3: “The second mentor in that sense, because his personality is similar to mine; we tend to be a little bit more accommodating, probably a little bit, maybe, I can’t say less demanding but I think the word is, I think, we are friendlier. My view of HR being approachable came from the second mentor, not the first one. The first one, like I said, was the old-school type, which means he would probably now be shouting more and then a bit more rough. In that sense, he was an approachable HR, [but] he was probably a more feared HR.” (2015)**

The two mentors that SG3 had were vastly different in terms of characteristics, with one being more of a disciplinarian while the other more approachable. The length of time spent under the mentor was another important factor in the moulding of SG3's HR career.

*Interviewer: In other words, you are more influenced by mentor number two?*

**SG3: "Technically yes, longer period of time." (2015)**

*Interviewer: How long did you have your first mentor for?*

**SG3: "About less than two years. Second one was about seven-plus years." (2015)**

The personality fit and length of time spent working with mentors, according to the interview, were the influencing factors for SG3, hence mentors do play an important part in the way SG3 works, compliance to the labour policies, and subsequently the translation of the policy. Most participants did not have a formal mentor as did SG3. In the case of SG2, the person who had influence on SG2 was a close friend and someone whom the participant had worked with. This was similar to SG1 and SG5 who both learned the trade from someone not necessarily in their department but a person they can get along with or whom they respected, observing how these informal mentors handle situations and how they (informal mentor) replied to questions and answers regarding the organisation. In Table 4.10, participant SG4 mentioned in the interview that informal guidance was obtained from various individuals within the organisation.

**Table 4.10: Mentors**

<b>Participant</b>	<b>Organisation</b>	<b>Mentor</b>
SG1	IR1	Informal mentor (boss worked under)
SG2	IR2	Informal mentor (boss worked under)
SG3	H3	Formal mentors (two of them)
SG4	H4	No designated mentor (informal guidance was obtained from individuals)
SG5	H5	Informal mentor (from the different management team)

Based on the interview data collected from the participants, mentors are not necessarily formal, but there are 80 per cent that have informal mentors whom they seek advice about tasks and situations; SG3 being the only participant with two different mentors during the change to a HR career. According to the interview with participant SG3, values are involved in the translation of the national policy, and the values that SG3 have would have been influenced by

was the second mentor during the career change to HR.

The notion of having someone transferring knowledge to less experience staff is not a new idea within the corporate sector; the role of a teacher was important to the survival of ancient civilisations, as they were the ones who transferred knowledge of technology, agriculture and philosophy to the next generation. The influence of teacher or mentor cannot be denied in those societies, especially within the expatriate Chinese community that settled down in Southeast Asia. Because the expatriate Chinese were viewed as aliens in their adoptive countries, the bond among them strengthened against the hostile environment in which they found themselves. Knowledge and culture continues to be taught by a person who is a mentor or teacher and who is respected within the society. The format is similarly used within the corporate sector where juniors are assigned someone who has been in the organisation longer to guide and to impart tacit knowledge. Trust between the mentor and mentee developed over time, which usually saw the mentor having some influence on the mentee. All the participants acknowledged that mentors (formal or informal) were part of their career in HR. While SG3 is the only participant with two mentors, the role of the mentor in SG3's career shaped the interviewee's view on how employees and HR should be managed.

The findings above acknowledge that mentorship does have a significant role to play within the HR department, and the mentees, to a certain extent, do display traits of their formal and informal mentors.

#### **4.4.4 Nationality and translation of national policy**

In a business organisation, employees from different nationalities translate the national policies imposed by the government in different ways (van Gestel & Nyberg, 2009; Sapiro, 2010). An employee's nationality and the training they obtain from the organisation also plays a big role in the translation of national policies (Buckley & Casson, 2016). As a result, the organisation's HRM policies and practices are translated according to those nationality differences and training variances (Boselie, Brewster & Paauwe, 2009; van Gestel & Nyberg, 2009; Sapiro, 2010). SG1 shared that if an employee is not from the local population and is assigned the role of translating the national policy, there could be the possibility that the foreign employee will translate it according to his own values and experiences and observations.

**SG1: "But most HR personnel are local. You'll find that even in other countries because the key thing is your knowledge of the employment Act is very important. So no point**

**you go and employ a foreign talent because they wouldn't know your employment Act. That is very fundamental.” (SG1, 2015).**

The third respondent, SG3, talked about the experience of hiring foreign staff within the organisation. The staff originated from the Philippines and had worked in Singapore for less than two years. The staff were competent in the core HR practices, as there was not much difference between recruitment, interviewing, disciplines, motivation and performance appraisal between Singapore and the Philippines. However, even though the staff had obtained knowledge of Singapore's regulations, it was not sufficient for the staff to participate in the policy translation.

**SG3: “I have had personal experience of actually employing a Filipino HR staff. She was trained in Philippines, she worked in Singapore for roughly about less than two years before she joined us. So in that sense, what happened was, although her background in Singapore law, for example, may not be as strong, we felt that HR being HR, okay maybe the information, the regulations, could be slightly different, but things like the recruitment part of it, interviewing part of it, the disciplinary part of it, performance management part of it – yes they are the same. So in that sense, technically, regardless where you are trained, to me, not so much of an importance, but the personality or the flexibility, the adaptability comes back in.” (SG3, 2015)**

The fourth respondent (SG4) replied with the same views. SG4 believes that the organisation always prefers local employees for the role of translating national employment policies and interpreting them for the organisation's HRM practices. The interviewee explained that an organisation chooses local employees for this role because they are well-versed and familiar with the local employment Acts and employment labour policy. Recruiting foreign workers for this particular role is always discouraged because they have limited knowledge of such policies and there is a risk that they will translate them according to the policies being practised and implemented in their home country. This could cause confusion within the HR department and, to a certain extent, throughout the organisation.



**Table 4.11: Nationality and translation**

<b>Participants</b>	<b>Nationality plays a part in translation</b>	<b>Foreign workers in HR Department</b>
<b>SG1</b>	<b>Yes</b>	<b>No</b>
<b>SG2</b>	<b>Yes</b>	<b>Yes</b>
<b>SG3</b>	<b>Yes</b>	<b>Yes</b>
<b>SG4</b>	<b>Yes</b>	<b>No</b>
<b>SG5</b>	<b>Yes</b>	<b>Yes</b>

Participant SG5 presented quite opposing views on the translation of national employment policy and the employment Act of the foreign workers. The participant explained that the organisation has a culturally diverse workforce in which employees have joined the workplace from different nationalities including China and Malaysia, as examples. These workers had been serving the organisation for several years. Therefore they are very familiar with and well-versed in the Singaporean labour policy and national employment Act. Allowing these foreign workers to participate in the translation of national employment policies for the organisation's HR practices may benefit in a sense that they may suggest ways the local employees might improve the organisation's current HR practices. They may recommend strategies which they observed in their home country and may be suitable for this organisation in Singapore. The organisation adopts their services in the operational practices in its HR department.

Based on the responses from all the respondents, it is found that organisations essentially need to translate the national policies of a country into their HRM policies and practices so that they can run their business operations in that country in a legal way (Caligiuri, 2014; Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009). It is also found that if an employee is assigned the role of translating the national policy and integrating it into the HRM practices of the organisation, the employee will translate and integrate it according to the nationality which he

possesses. The reason for this is the employee has always followed the labour laws, regulations, and employment activities of the country in which they grew up and worked for a longer period of time (Daley, 2012). Keeping in view this observation in the business community, organisations prefer local employees to get the national policies translated and subsequently translated into their HRM practices. The organisations prefer local employees because they have worked in the country and seen their employers adhering to the national policies and employment Acts (Sapiro, 2010; van Gestel & Nyberg, 2009; Boselie, Brewster & Paauwe, 2009). On the contrary, foreign workers have very limited knowledge of the local laws and Acts because they are unable to translate and integrate the national policies according to the standards set by the local government. If a business organisation ignores the national policy or translates and integrates it against the local laws and standards, the government punishes that organisation and charges heavy fines depending on the severity of the legal violation. To avoid these types of risks, organisations choose local employees for the role of translating the national policies and incorporating them into their HRM practices.

Some multinational organisations have a culturally diverse workforce which consists of members from different nationalities, races, cultures, religious beliefs, and values (Marković, 2012). Having the national policies translated through such a diverse workforce has always been a big challenge for these organisations because every diverse team member would independently translate and incorporate the national policy according to their own beliefs, cultural values, and past observations from their home country employers (Stahl, Maznevski, Voigt & Jonsen, 2010; Pieterse, Van Knippenberg & Van Dierendonck, 2013). For effective translation of the national policy, the organisation must ensure that the diverse team members follow the local standards while translating and integrating them into the HRM practices of their organisation. Through this qualitative research study, it is also found that there are some core HRM practices which are quite common around the globe. These practices constitute recruitment and interviewing practice, performance appraisals, disciplinary matters and motivational programs. The difference arises due to the personal attributes, beliefs and values possessed by the employees. Foreign workers are only chosen for such roles when they have worked in the present country for a long period of time and they have grasped the national policies, employment Acts and labour laws of the present country. They must be well versed with these laws and fully aware of the complexities and consequences of ignoring the government's standards set for business organisations to operate in a legal fashion. Giving foreign workers the task of translating national policies for an organisation's HRM practices

can bring benefits when they can also recommend better strategies to compete and succeed through human capital, but operating within the limitations set by the local laws.

It was established earlier in the research that education, work experience and values does have an impact during the translation process. The small population of Singapore resulted in a limited pool of labour for all the sectors, which inherently forced employers to look outwards for talent. Given the diversity within the labour market in Singapore, employees of differing nationalities were employed as HR in routine tasks such as payroll, compensation, selection and training. The data derived from the interviewees reflected that 40 per cent of the organisations do not employ HR personnel of other nationalities except Singaporeans and Malaysian. This preference is partially due to the shared historical background of both nations and the common understanding of the Singaporean labour regulations, with many of the Malaysian HR counterparts receiving their post-high school education in Singapore. While the other 60 per cent of participants were more receptive to having personnel from a different educational background and cultural and social upbringing within HR, respondent SG5 was more inclined to have HR staff from a different nationality translating the national policy into HR practices.

SG5's response was a departure from the other (80 per cent) participants, whom either allowed employees of other nationalities into the HR department but did not involve them in the translation process, or did not have other nationalities. The participants strongly believed that there must be some form of national policy understanding before a person can be included in the translation team. This question touches on the fundamental issue of trusting the employees from different cultures, education and background. Based on the findings, the organisations in Singapore who are within the IR&H sector tend to be selective about employees /potential employees, especially in the HR department.

#### **4.4.5 Nationality, training and policy**

When multinational organisations strategise to enter a new country, they have to face various kinds of environmental forces; mainly including political, economic, social and demographic, technological and legal (Bratton & Gold, 2012; Schuler, Jackson & Tarique, 2011). While targeting a new market and ensuring the smooth running of business operations in the future, organisations essentially need to translate that country's national employment policies into the HRM practices of their offices in that country (Shaw, 2015; Schuler, Jackson & Tarique, 2011).

Among different environmental forces, the most significant are legal and governmental forces that directly affect the HRM practices of the organisations (Dcosta, 2011). In addition, other governmental policies, laws and regulations and the national employment policies also need to be translated into the organisation's HR practices so that they do not have to face unpleasant restrictions or legal constraints by the government (Caligiuri, 2014). Lengnick-Hall, Lengnick-Hall, Andrade and Drake (2009) believe that while translating the employment policies of the target country into their own HR practices, organisations also face certain challenges, which they have to encounter from time to time (Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009).

In response to the question regarding the translation of national employment policies into the HRM practices of the organisation, the first respondent (SG1) shared that the organisation looks up what the national employment policies are; what are the challenges in their implementation; what impact these employment policies will bring on the organisation; and what are the costs and benefits involved in the implementation. Among different challenges, the respondent shared that the most important challenge is the cost of hiring foreign workers due to the foreign workers quota imposed by the government (Jones & de Wit, 2012).

**SG1: "I guess the challenge is how do we translate the national policy, what the implementation of that national policy, what impact it has on the company, whether it is a labour force quota issue or whether it is a cost issue, because a lot of our, even the foreign workers quota – there's a levy involved and all this. So a lot of this is taken into consideration where we have to literally do a cost-benefit analysis on what does it mean to us to hire more foreign workers because there is a cost involved (SG1, 2015)**

*Interviewer: So that is the challenge – the cost...?"*

**SG1: "I would say it is a challenge but these are considerations that we have to keep in mind when we kind of want to operationalise the policy." (SG1, 2015)**

The Singapore Government requires every organisation to hire a specific number of foreign workers without considering the scope of the job or requirement in the organisation. The government charges a tax between SGD\$315 and SGD\$550 for each foreign worker, which is a direct cost for the organisation. Singapore's Ministry of Manpower has no official statistics to show the exact number of local and foreign workers employed by the total number of

organisations in the country. However, according to unofficial source HRM Asia, the total number of local residents employed in organisations (IR1) is 60%, while the foreign workers make up the remaining 40% (HRM Asia, 2017) of the organisation's 10,000 strong workforce. The number of foreign workers (40%) therefore worked out to 4,000 workers and with a minimum levy for housekeepers, this cost could amount to SGD\$2.2 million.

The levy charged by the Singapore Government is payable when the worker's work permit is renewed or the organisation hires a new foreign worker. The respondent SGI believes that the organisation essentially needs to translate the national employment policies of the target country into its HR practices in order to follow the strong institutional enforcement by the government. The organisation complies with the national compensation policy, regulations regarding compensation, incremental and overtime payments, and other employment laws imposed by the Singapore Government.

The second respondent (SG2) also believes that the major reason why the organisation must adhere to the national employment policies is the costs involved in HR practices (Jones & de Wit, 2012), so the challenge for SG2 is to achieve a perfect balance between all the different parties involved.

**SG2: "We have to think about the shortfalls, like maybe our system can't accomplish what we need it t. You have to think about the cost implications to the company: it is easy to say everybody gets two weeks paternity leave – the reality is going to cost the company money and how much it will cost us, and then you will need to think about team member reaction or engagement: are they going to be happy or are they going to be disappointed? You know, are there any exceptions that need to be made? And then we have to think about our corporate company, do we need to advise corporate in Las Vegas?"**

**"Yes, another thing that our Head of HR does a great job of – and I really learned this from her – is what I call lobbying; you have to get the pulse of the organisation, so what do people think about this at the senior leadership team. You know, you might meet with the Head of Finance, or the Head of Casino, or the Head of MICE, and one says, "I like black", one says, "I like white", one says, "I like grey". So if you are going to roll this out, how are you going to try to accommodate all of them so that they are happy and reduce unhappiness as low as you can?"(SG2, 2015)**

During the interview, SG2 pointed out that the HR department will also need to consider the impact of cost to the company while undertaking the translation of the labour policy. Cost to most of the organisations are of utmost importance and this is shown in the interview of respondents SG1 and SG2 who both cited cost as a challenge for the translation of national policy into HR practices. The national policy that could effectively increase the cost is usually not on the priority list; it could take a long time before a partial part of the labour policy is translated into HR practices. Besides the issue of cost, the other challenge that SG2 faced is from within the organisation. The HR practices translated directly from the labour policy might not be acceptable throughout the organisation. According to SG2, they have to think about the reaction from corporate in Las Vegas, which is an indication that the translated labour policy will have to go through corporate depending on what the Singaporean Ministry of Manpower mandates. There will be certain times when corporate HR have to agree to the HR practices translated by IR2 due to the coercive isomorphism theory which sees organisations complying with institutional standards and regulations as mandated by the government. SG2 indirectly gave the indication that coercive isomorphism is one of the factors influencing the translation process in the organisation (IR2).

The respondent is certain that the organisation follows the national employment policies and translates them into its own HRM practices in light of the coercive isomorphism theory, which suggests that organisations are bound to follow the target country's national employment policies if they want to run their business operations in a smooth and effective fashion (Majchrzak, Rice, King, Malhotra & Ba, 2014; Verbruggen, Christiaens & Milis, 2011). However, the organisation also needs to look out for the reaction of workers while choosing to translate the national employment policies into its own HR practices. The organisation's members may show resistance to the change the organisation wants to bring as a part of the government's requirement (Bateh, Castaneda & Farah, 2013). In such cases, the organisation observes a decline in the employees' level of satisfaction with the organisation's working environment, culture and HR policies. (Hon, Bloom & Crant, 2014).

The third respondent (SG3) shared similar thoughts regarding the translation of national employment policies in the organisation's HR practices. SG3 believes that national employment policies may not be followed by the multinational organisations operating in the particular country. Sometimes, these organisations are not in a position to completely adhere to the national policies (Schuler, Jackson & Tarique, 2011). For example, if the national

employment policy requires a specific quota of mature workers to be employed in the organisation, but the nature of the job is not suitable for mature workers (for example, house-keeping, front desk, room attendants), then the organisation will amend the national policy to best suit its own operational requirements.

**SG3: “We understand what the government is trying to do because of the ageing population; to try to hire back your mature workers, as I would call them rather than aged workers. So mature workers, what happens is, again we admit that certain positions cannot be filled by a mature worker. Like for example, housekeeping, going back to my example of the room attendant, because the work is so manual, I cannot have somebody, let’s say over 60, work there, although the person may be fully capable. In times like that, what we do is I wouldn’t look at that. Let’s say if this person has always been working as a room attendant, then yes they probably know the expectation, they will know the requirements, they will know how tedious or manual the work can get. And then the body is probably more accustomed to working such, then you know, in that sense, we will take. But let’s say the person is doing a change, maybe last time they were a store supervisor, storekeeper type of thing, and then they want to change to room attendant, for example, then no. So having said that, although we want to support, certain positions will not allow it. And then, the other one, this is a little bit more discriminative I will be very frank, for your front desk, your front office people – your front desk, sometimes you don’t really want too old a person to check you in, sometimes your guests will complain. It is just like your air stewardesses, you don’t have too old, slightly elderly air stewardesses, right? To be very, very frank. So like that one, as I said, it is a little bit more unspoken, but say if you are in your 40s and your 50s, I don’t see why not. It is just that maybe 60s, if they need to be like a bit more IT savvy, maybe they may not be as fast, so that means the checking in portion may be a bit more challenging for them. So we have that, but on the other hand, if it’s F&B, for example, because they are able to articulate maybe the dishes, they may be able to recommend the wine, the experience, and then in that sense, I think you can still look at a slightly more mature worker because the nature of the work is not as strenuous.” (SG3, 2015)**

Based on the interview above from respondent SG3, there is a dilemma during the translation process. As an organisation in Singapore, there is an informal understanding that organisations will support the governmental policies passed through parliament. Respondent SG3 in the

above interview supported this point, but with the Singapore Government trying to enforce the mandatory employment for aged workers due to a series of political backlashes, organisations within the hospitality industry find it hard to comply with all the requirements.

The other interesting point raised by respondent SG3 was the discriminative selection process for the front desk staff. According to SG3, this is not only practised in Singapore, but also generally across most hotels throughout the world.

The fourth respondent (SG4) shared that the foreign workers' contract policy is the biggest challenge for the organisation. Singapore's Ministry of Manpower requires organisations to follow various policy requirements, such as medical examinations, when they have to renew their foreign workers' contract with the organisation when these workers reach the age of 62. These strict requirements are contrary to the previous government's employment policy, which was quite favourable for aged foreign workers employed in local and multinational firms operating in the country.

**SG4: "Handling older foreign workers' contracts poses a challenge: The Ministry of Manpower mandates a medical examination and other requirements in order for the contract renewal for workers of the age of 62. Such stringent requirements could possibly be indicative of resistance to previous government policy that favoured older foreign workers." (SG4, 2015)**

The major shift in the Singaporean government's labour policy was due to the decrease in electoral support for the incumbent in 2011. Garnering 60.1% of the total vote support pushed the government to review its labour and migration policies. The review resulted in a tightening of the labour policy, with foreign talent subjected to more requirements such as medical checks and levies. The stringent requirements posed a challenge for respondent SG4, as the organisation needed to look at the pool of local residents which could indicate an increase in training and development cost in order to bring the local residents up to speed.

Respondent SG5 believes that national employment policy is important for the organisations and they should adhere to the government's labour laws. However, the organisation where SG5 works makes some changes in the national employment policy as and when required to synchronise it with its own HR practices. At the same time, it ensures its good image remains intact in the eyes of the government. For this purpose, the organisation translates the national



employment policy into its own HR practices by making slight changes according to its requirements.

**SG5: “One of the challenges during the translation of labour policy to HR practices within the organisation was to make sure that the foreign workers quota remains as a status quo and not cause any changes to it due to the introduction of new HR practices as a result of new labour policy. We will look at the whole labour policy and determine which is suitable for the organisation, but there are times where we will translate certain tough policy into the HR practices, as we want to be seen in the eyes of the government as supporting their initiatives.” (2015)**

From all respondents’ responses, it can be said that for an organisation to target a specific country for its international expansion, the very first step would be to take a bird’s eye view on that country’s profile. This includes a country’s history, its current ranking on the world’s economic indicators, political grounds and industrial growth (Czinkota, Ronkainen & Moffett, 2011). These major factors help the organisation’s top management to make an effective decision on whether to invest in that country or not. Although organisations perform economic, political and complete market analyses in the later phases, the initial look at the country’s national policies enables them to effectively integrate the relevant policies in their own business practices in an effective and efficient way (Cannon & Yaprak, 2014). Government behaviour is also a big force that may favour new entrants in the country or hamper the whole business expansion with just one new regulation or law (Tellis, Stremersch & Yin, 2003). Organisations need to analyse the political situation in the target country, the law and order situation, and the major governmental policies, including the taxation system, fiscal policy, trade policies, behaviour towards the industrial sector, and the like. In the complexities of the global business environment, organisations analyse these forces to find the most favourable ways to do their business in the target country (Czinkota, Ronkainen & Moffett, 2011). The organisations essentially need to analyse the political, legal and governmental policies before translating that country’s national employment policies in their own HRM policies and practices.

Table 4.12 summarises the challenges faced by the various respondents and shows that ‘labour quota’ appeared four times—the equivalent of 80%—and ‘cost’ also appeared the same number of times. All respondents interviewed (100%) were in support of the Singapore Government’s labour policy changes since the general election in 2011. Respondent SG3 indicated that

support for the labour policy varies when the organisation needs to consider the cost of training new mature-age staff and deploying them into jobs that are new to them. It might be the government's directive, but if the cost of supporting institutional policy does not benefit the organisation, HR practices can be modified to better suit the organisation's operations. The answers from the six respondents demonstrated a certain level of coercive isomorphism on organisations by government institutions. The government can tolerate a slight deviation from the institutional policy, but if the organisation deviates too far in terms of the labour quota, it will cause a public backlash. The government can intervene in the form of the Ministry of Manpower whereby the organisation can be fined for violating the legislation. Alternatively, the tripartite alliance between the government, employer and union, which promotes the adoption of fair, responsible and progressive employment, can be used to enforce the implementation of the labour policy.

**Table 4.12: Challenges faced by respondents**

<b>Respondent/ Organisation</b>	<b>Challenges</b>	<b>Supportive of government labour policy</b>
SG1/IR1	Labour quota and cost	Yes
SG2/IR2	Cost and balancing among the other departments	Yes
SG3/H3	Labour quota and cost	Yes, but might modify the labour policy
SG4/H4	Foreign workers levies and quota	Yes
SG5/H5	Foreign workers quota	Yes

#### **4.4.6 Vision, values and formulation of the organisation**

The vision tells the organisation's long-term commitments to its stakeholders and the community at large, while the core values and mission express its core objectives—that is, what it intends to achieve and what contributions it wants to make to the society it serves. These values and vision act as a guiding framework for the organisation's management on what quality and commitments it will maintain when it will enter a new local or international market.

**SG1: “We have a very simple corporate value, and our corporate value is just two words: it is called Kampung Spirit. So it is very powerful because these two words mean a lot of things to us. We believe that everyone should be on the lookout for each other, just like in a kampung where you have neighbours and they are very close to everyone and you look out for each other. We also believe that we work hard, but we also have to play hard. So these are very simple values, but it has brought us a long way.” (SG1, 2015)**

In response to the question regarding the inclusion of an organisation's corporate level vision, mission and values in the formulation of local HRM policies and practices, the first respondent (SG1) stated that the organisation believes in a very cooperative corporate culture, where all organisational members keep a sense of friendliness, belonging and bonding with each other. The organisational values can be described in two simple words: Kampung Spirit. These two Singaporean words mean that every organisational member is a part of a single unit—the organisational culture. All employees look out for their co-workers, keep themselves always ready to help their subordinates in their job duties, and maintain strong values within the organisation's premises. The respondent mainly emphasised the friendliness and strong sense of belonging among organisational employees as core corporate values. SG1 shared that the organisation formulates its local HRM policies and practices in view of the corporate values, which are purely focused on a humane approach to organisational culture. The organisation focuses on building a culture where all employees feel a sense of belonging and build strong relationships with co-workers, including both seniors and subordinates. On one side, the local HRM policies and practices focus on a strong and humane organisational culture, and on the other, at the same time, they emphasise hard work and the achievement of a set of organisational targets and objectives.

The second respondent, SG2, shared that the organisation was thriving to build a new organisational culture where there would be stronger collaboration among its three

departments. The organisation was focusing on building a culture of mutual hard work and a collaborative environment. The new organisational culture would depend on certain core values which mainly include strong integration, teamwork, dedication, due compliance of the policies, laws and regulations, corporate social responsibility, sustainability efforts and building a cooperative community—all focused on providing a memorable experience to key stakeholders. The organisation periodically (most commonly, on an annual basis) conducts surveys and focus groups to bring improvements on a continuous basis. It helps the organisation in building a better work environment, better engaging employees in their work, and fine-tuning current HRM practices, which may also help to achieve the organisational targets in a more effective and efficient way.

In addition to emphasising organisational culture, corporate social responsibility, departmental coordination and integrity at work, the organisation must also strive to retain talented employees. The organisation needs to retain talented and committed employees because they work more productively and show loyalty towards their job duties (Kehinde, 2012). The organisation also arranges different job rotation plans for its employees, which prove to be fruitful for employees as well as the organisation. Schuler, Jackson and Tarique (2011) believe that job rotation not only keeps employees feeling energetic because it brings a sense of new job opportunity, but also improves the level of employees' motivation and satisfaction with the organisation which creates new learning and development opportunities for all new and senior employees (Sanali, Bahron & Dousin, 2013; Ho, Chang, Shih & Liang, 2009).

**SG3: “The official answer should be, yes, they should be used, your values and vision. But having said that, like I said, a lot of things also depend on reality. I can say that if you want to look at the hotel that we are handling now, H3, if you were to go to look at the website, it is more of a sensuous, gracious hostess. Having said that, if I want to hire, let’s say all my front office people based on that, I will be looking for IQ high-level people which I cannot find. So, you know having said that, I can have the vision, and then we will all subscribe to it and say, “okay, we need to be gracious, we need to be like a more bespoke hostess”, but having said that, can I have all my front desk people looking like that?” (SG3, 2015)**

The third respondent (SG3) stated that the organisation's corporate level HRM policies and practices in the formulation of local policies. The vision and corporate values are equally important in all HRM matters—including the recruitment and hiring of staff and personal

attributes as required and communicated by the corporate office, as examples (Bratton & Gold, 2012). The respondent SG3 believed that despite the great importance of corporate level HR policies and practices, not all organisations are able to hire employees who follow these policies by heart. That is, some employees, for example, do not greet guests in a happy mood, while for others it is an essential job requirement to be a gracious host to incoming guests. When employees show rude and non-friendly behaviour with incoming guests, it leaves a negative mark on the organisation's image among its most important stakeholder—the customer (Sriyam, 2010). When an employee shows non-friendly behaviour with guests because of low satisfaction with the organisation, the employee ultimately quits the organisation and always remains in a quest to find another job (Block, 2016). This low or no employee satisfaction causes high turnover for that organisation, which directly or indirectly affects its operational and financial performance (Robbins & Judge, 2013). Hausknecht and Holwerda (2013) believe that a high turnover depicts an organisation's working environment as poor, or its HRM policies are not effective enough to keep employees satisfied and committed to their organisation. To cope with this HR challenge at the local level, HR executives prefer to recruit employees whose skills, interests and experience best suit the job positions available in different departments (Hausknecht & Holwerda, 2013; Hausknecht & Holwerda, 2013). However, HR executives may ignore the corporate level HRM policies while choosing to implement the aforementioned recruitment policy: that is, to employ staff according to the job descriptions.

The fourth respondent (SG4) did not answer the question as expected. The participant simply nominated the organisation's website, which contains the corporate HRM policies and practices.

**SG5: "If I tell you we don't formulate the values and vision of the organisation into the organisation's HR practices and policy, then I would be lying. The values and vision are in fact a part of the HR practices and we do try to follow them, but sometimes reality can be different and we do have to chop and modify it slightly." (SG5, 2015)**

The fifth respondent shared that the local HRM policies and practices are completely aligned with the corporate values and vision. However, the local offices may modify or alter these policies as and when required according to the business environment in which they operate. Table 4.13 shows a clear picture on the organisations that have the corporate values and visions implemented except for respondent SG4, whom did not provide any comment.

**Table 4.13: Formulation of values and vision into HR policy**

Participant	Organisation	Values and Vision implemented?
SG1	IR1	Yes
SG2	IR2	Yes
SG3	H3	Yes
SG4	H4	No comment
SG5	H5	Yes

Based on findings from the respondents, it can be said that four out of five (80%) interviewees believed that the local offices will always try to follow the corporate values, mission and vision while designing and implementing their local HRM policies and practices. They make changes when they need to adhere to the local labour laws, compensation policies and government regulations, and stay market-competitive in terms of HRM practices (Bratton & Gold, 2012). Organisations with local units prefer to induct employees who respect the local HR policies as well as respect the corporate values, mission and vision (Brewster, Houldsworth, Sparrow & Vernon, 2016; Harzing & Pinnington, 2010).

#### **4.4.7 Financial versus employee performance (impact on training and retention)**

*Interviewer: As an HR manager, do you emphasise, of course, financial performance over employee performance during the formulation of HR policies? Was there an impact on training, retention or morale of employees?*

Katou, Budhwar, Woldu and Basit Al-Hamadi (2010) presented their views on the balance between financial performance and HRM policies and practices. They believe that to stand out in the market, every organisation needs to keep a good balance between the two. Griffin and Moorhead (2011) state that if an organisation ignores employee performance and keeps its

entire focus on expanding its operations and improving financial performance, employees will lose interest in their job responsibilities, which will gradually decrease their level of motivation and satisfaction with the organisation (Griffin & Moorhead, 2011; Taticchi, Tonelli & Cagnazzo, 2010). Eventually, the organisation will observe an increasing turnover with the passage of time (Hausknecht & Holwerda, 2013). On the other hand, if the organisation ignores its financial performance and makes every effort to keep its employees happy and motivated, it will observe a decline in its profits (Saridakis, Muñoz Torres & Johnstone, 2013). In other words, if the organisation expands heavily on the training and development of its employees, arranges skills-development sessions, holds motivational events and other engaging activities just to keep its employees' morale and satisfaction high, it can have a detrimental impact on its financial figures due to the heavy costs of these plans and practices (Miner, 2015; Schuler, Jackson & Tarique, 2011). Keeping a balance between employees' performance and financial performance will not only give the organisation good returns on its investments, but also help in retaining and motivating its employees to work harder and with more dedication (Beardwell & Thompson, 2014; Saridakis, Muñoz Torres & Johnstone, 2013).

**SG1: "It is always a combination of both the revenue and the financial part, so it is always a balance, depending on the level. The balance of employee and financial performance is maintained during the formulation of the HR policy, both are intertwined, as too much of one side is not good for the organisation. I can't just emphasise the financial side; by doing that it means there will be a lot of things or employee events that might be taken away or cut off just because I want to show financial performance. By doing so, will the employees be happy? Doubt so; I might not be able to retain my best talent. Therefore if you look at this, my HR department have always taken the middle ground, finding the right balance to ensure that the employees are trained according to their job and to foster the community spirit which I mentioned earlier through staff events. I strongly believe that with a happy staff they will do their job well and give their extra. We will always go the extra mile for family. That is what we are trying to create here, the family spirit." (SG1, 2015)**

In response to the question, the first respondent (SG1) expressed the view that the organisation needs to keep a good balance between the two to show steady growth in the market and keep its employee turnover as low as possible. SG1 shared that the organisation maintains a balance between employee performance and financial performance by arranging different kinds of training and development programs for its employees that are relevant to their job descriptions

and changing operational requirements. To keep the employees committed towards the organisational goals, the HR executives are responsible for making them feel like a family, where they work together wholeheartedly in view of a common organisational vision and corporate culture (Heavey, Holwerda & Hausknecht, 2013). Respondent SG1 shared that the Singapore labour market experiences high turnover mainly due to low employee satisfaction, poor professionalism and demotivation by employers. Tutuncu and Kozak (2007) believes that a weak relationship among co-workers, and most importantly between employees and their immediate supervisors, is a big reason why organisations face high employee turnover. Weak relationships, non-friendly coordination and professional jealousy are some of the key factors which cause this negative effect on employee performance and motivation at the workplace (Tutuncu & Kozak, 2007). Due to cultural diversity in the workplace, many employees face difficulty building strong relationships with their co-workers, subordinates and supervisors. People from different cultural backgrounds come together to work on a common vision and corporate values, share the same organisational culture, and follow the same organisational policies and practices (Pieterse, Van Knippenberg & Van Dierendonck, 2013). Stahl, Maznevski, Voigt and Jonsen (2010) and Pieterse, Van Knippenberg and Van Dierendonck (2013) have found that, due to the difference in races, norms, life preferences, cultural values, religious beliefs and other traits, employees feel unadjusted in a working environment which is highly diverse. As part of kampung community, all organisational members are responsible for working under a common vision and mission so that the organisational goals can be achieved in an effective and efficient way. Therefore, it is highly essential for the organisation to keep a good balance between financial and employee performance while designing its HRM policies and practices (Taticchi, Tonelli & Cagnazzo, 2010; Griffin & Moorhead, 2011; Dabirian, Kietzmann & Diba, 2017).

**SG2: “I actually think that’s easy to answer. I would say no, we do not emphasise financial performance over employee performance; however, the company does. I mean, we do our due diligence, we are always focused on the best interest of the team member, the best interest of the company when it comes to compliance and regulation, but as far as, you know, what’s the real focus, it’s the policy, it’s the people, and then we do our due diligence to make sure that we understand the cost implications. So I’d say it’s almost a partnership, but I would not say that the focus is on finance and therefore everything else falls out from that.” (SG2, 2015)**



The second respondent (SG2) indicated that a balance between employee performance and the organisation's financial performance is of utmost importance. The respondent shared that the organisation always tries to keep its employees in the first place, as SG2 believes that all team members must be kept motivated and dedicated towards the organisational goals. This is only possible when the organisation expends a good amount on their training and development sessions, provides them with market-competitive compensation and benefits, and makes every effort to enhance employees' morale and level of satisfaction with the organisation's HR policies and practices (Paillé, Chen, Boiral & Jin, 2014; Aguinis & Kraiger, 2009). Loi, Chan & Lam (2014) state that when it comes to compliance of organisational corporate rules, laws and policies, the team leaders do not compromise with the workers. They have to adhere to the rules and regulations set by the local units or subsidiary companies as well as the corporate office. On one side, the organisation focuses on employee training, skills development, compensation policies and motivational plans, and at the same time, it keeps in view the tax liabilities, and operational, investment, and financial costs, which need to be covered from revenues (Crook, Todd, Combs, Woehr & Ketchen, 2011). All these expenses need to be managed in a way that the organisation always observes a growth trend in its business incarnation (Mitchell, Obeidat & Bray, 2013).

The third respondent (SG3) said the organisation should consider both employee performance and financial performance as equally important for its success in the marketplace. Beardwell and Thompson (2014) believe that if HR executives only focus on employee benefits and betterment, they will ignore the financial aspect of the business, which will bring huge costs to the organisation. In contrast, if finance executives ignore the HRM policies that need to be implemented in the offices and simply work on reducing operational, investment and financial costs, the level of employee satisfaction and motivation will drastically reduce, bringing about various negative effects on the organisation's business (Crook, Todd, Combs, Woehr & Ketchen, 2011). The organisation's turnover will increase and it will have to hire new employees to keep the operations running smoothly (Aguinis & Kraiger, 2009). These recruitment practices will increase the costs of the organisation, which will also affect its profit and loss accounts. While recruiting new staff for their departments, the organisation uses employee referral schemes, by which they hire new employees through the reference of existing employees.

According to Allen, Bryant et al. (2012), potential employees recruited through employee referrals are higher quality applicants and therefore less likely to turn over. Incentives such as referrer fees are paid to the employee for successful referrals. To implement the scheme, SG3 needed to understand the cost implication to the organisation as well as manage the expectations of the senior management and board.

Another point that was brought up during the interview was the important role of communication from HR to employees. One example given by the participant was the wage increment. Singapore's National Wages Council make recommendations to the various sectors on the percentage of wage increment. The final increment is determined by the organisation, based on the overall profitability and cost of the business. Due to the difference in terms of industry standard and what the organisation is willing to give as an increment, the HR department might have to explain to employees the reason why the organisation is not able to give the recommended rate of increment. The level of transparency is equally important so that employees have a better understanding on why the rate of increment is less than the industry standard. The requirement of managing both employees and senior management will see the HR department playing a significant role between both parties to ensure daily operations.

**SG4: "HR policies govern the policies and procedures set forth by the government and lay the disciplinary framework to which all employees are subjected. The financial performance factor is not the issue, as the organisation takes into consideration the proper HR processes and act or conduct themselves according to the policies set and disseminated by the Ministry of Manpower. The policies are fair and just. For example, if the termination policies are fair and transparent, the employees will not doubt the organisation and their plans. This will help in maintaining the morale of the employees." (2015)**

The interview data provided by respondent SG4 above shows a different view to SG1, SG2 and SG3 in terms of how financial and employee performance are viewed. During the interview, SG4 talked about how HR policies are governed by procedures set forth by the institutions (government), and therefore employees should not doubt the organisation as long as it acted in fairness and conducted itself with full transparency. To have the support of the employees, especially on termination policies, communication is of utmost importance. In the above interview transcript, the respondent did not talk about any form of balance as did the rest of the participants. In fact, the answer provided by SG4 was diplomatic, as it did not give the

interviewer much insight into H4's training and retention.

**SG5: "Yes, our retention strategy is included in our HR policies. It is important to have this in the policies, if you look at the current labour situation in Singapore, the foreign workers quota and so on, and the government stance on hotels to employ more locals. This has created another set of issues, I would say: local workers know that they have the upper hand and that if they are not happy here they will look elsewhere and move. Now, turnover is high in this industry. If I don't think of ways to attract and retain these people or talent, then I will always be on the constant look out for new staff, which will also increase my cost; cost in training them. Once again, if I am to compare financial and employee performance, I would say I tend to lean more towards employee performance. Without employees, can the organisation survive? Can the organisation attract returning guests? If I am able to retain my best employees, then I don't have to keep looking for new staff and train them, which means cost is saved and these employees will go on to influence other employees, as they can be an unofficial link between HR and the other staff. But I also understand that sometimes my senior management might be looking at the cost or financials and say, "we should cut down on this and that," which of course I got to look after my bosses. Maybe look at cheaper alternatives for the employees' activities. We tend to do an activity once a month to keep the employees' morale up and to create that team spirit. I always emphasise that to my staff; that we are all in the same boat and we have to row together in the same direction. Back to your question, I would say that balancing between senior management and the employees is very important, as I want to retain my best team, which means I have to spend on certain things to create that happy working environment while at the same time making sure that the implication on cost or the financials is not too large. While the other important factor is communication, this is required at all levels. Any miss-communication ... it would be total disaster." (2015)**

The interview from respondent SG5 shows the clearest indication that balancing financial and people performance is important, as mentioned in the finding that SG5 tended to lean towards staff performance, given the tight labour market in Singapore as the other IR&H are also having to employ local resident labour. Having monthly get-together activities for employees helped build the team spirit, which is similar to the community spirit mentioned by respondent SG1. By having a common goal and objective, employees are more inclined to stick with the

organisation and even do more than asked, as they will feel valued by the organisation. The other factor that was mentioned in the interview was communication, which was also a factor talked about by SG3.

As can be seen in Table 4.14, a balanced approach is one of the factors adopted by 80 per cent of participants. The number of times it appeared is also an indication of its importance. The next factor that was considered of equal importance is team spirit, and this factor seems to appear only in the Singaporean context.

**Table 4.14: Factors influencing retention and training**

	SG1	SG2	SG3	SG4	SG5
Financial performance					
Employee performance					
Balanced approach					
Communication					
Team spirit					
No comment					

The whole discussion highlights that an organisation must keep in view the HRM policies and practices while focusing on the financial aspect of its business. Where the financial performance of a business is affected by different economic forces, like the country's inflationary pressures, industrial growth, unemployment, GDP, GNP, population growth rate, exchange rate, interest rates, literacy level, access to financing facilities, and the like (Tellis,

Stremersch & Yin, 2003). Similarly, the HRM practices are also affected by the way an organisation prioritises its earning and spending in its operations and core business areas. The major areas where an organisation focuses include HRM, marketing and sales, operations and production and quality management, as examples. A deep analysis of the link between financial performance and HRM practices is crucial for the organisation, as this link may turn the policies and practices in favour of or against the organisation's business and profitability.

Moreover, business organisations wishing to target new international markets have to carefully analyse the cultural diversity issues and challenges in those markets. Multinational organisations not only have to explore potential opportunities in international markets, but also arrange the human capital that can manage their operations and business processes in an effective and efficient manner to support their growth strategies (Harzing & Pinnington, 2010). When an international business organisation expands its operations in another country, the biggest issue it faces is finding and recruiting a highly qualified and diligent team of employees (Tran, 2015). The organisation may choose to recruit employees from its parent country, the host country, or some third country depending on the set of skills, competencies and experience required in a particular area of business operations (Deresky, 2017). However, there are some cultural issues that make it harder for the organisation to persuade potential employees, and even difficult for expatriates themselves to decide if they want to leave the comfort of their home country to work on business projects with a team of culturally diverse managers (Forester, 1999). Thus, managing the cultural shock for expatriates has become a crucial part of international HRM in today's business landscape (Deresky, 2017). If managed effectively, cross-cultural HRM can become a distinctive advantage for an international business organisation and enable it to stand on the competitive edge in the industry (Kurzweil, 2015).

#### **4.4.8 Employment regulations and HR review**

*Interviewer: How often do your HR policies get reviewed as a result of changes in employment regulations, and who does the review?*

One of the major forces which a business organisation faces in its external environment is government, political and legal force. This force constitutes the government's behaviour and intervention in all sectors and the country's economy as a whole (Cadle, Paul & Turner, 2010; Jurevicius, 2013; Gupta, 2013). The government intervenes in many different ways; for example, by revising current policies or imposing new policies from time to time. The national

policies on which the government keeps its greater focus include employment policies and labour laws, trade and tariffs policy, environmental and climate protection laws, infrastructure developments, health and safety, quality standards, education, international relations, freedom of the press and media (Gupta, 2013; Yüksel, 2012). Kolios and Read (2013) believe that, in addition to the national level policies, the government keeps on updating policies and regulations for specific industries and sectors. Therefore, local and international organisations essentially need to watch over these industry-related regulations which affect their operational and financial performance in one way or another. For different business and industrial sectors, the government may revise taxation policies and incentives, trade restrictions, import and export policy, quality control and management, competition regulations, e-commerce and consumer safety, environmental protection, and employment and labour laws. All these laws and regulations directly or indirectly affect the relevant areas of business operations of an organisation (Babatunde & Adebisi, 2012; Ho, 2014; Blery, Katseli & Tsara, 2010).

The national employment policies and labour laws directly affect the HRM policies and practices of an organisation. Whenever the government makes changes to these policies and laws, the business organisations wear their impact and must mould their policies and practices accordingly. Organisations that ignore these changes or revisions by the government ultimately have to face severe legal actions that may range from heavy fines and license cancellations, to the ceasing of operations from the country. On the contrary, an organisation which fully adheres to these national employment policies and laws and incorporates the changes into its HRM policies and practices from time to time is legitimately permitted to operate in the country with its full facilities.

Singapore's national employment policies and regulations mainly constitute the employees' minimum wage policy, foreign labour quota, foreign labour levies, working environment standards, short-term and long-term benefits, compensation, working hours, privacy and employee data protection, leave and termination policy, union relations and the like. When the government makes changes in these employment regulations, the organisations must review their HR policies and make changes accordingly.

When the interviewer asked the respondents whether their organisations do such reviews of their HR policies, the first respondent (SG1) said that the HR team reviews and updates the policies on a regular basis without keeping a tab on the government's revisions to the national employment regulations. However, the HR team does not do these reviews every year due to

the numbers of HR policies that the organisation has. Rather, the organisation (IR1) makes changes when the need arises; for example, to update job descriptions, code of conduct or revising the new employment terms and conditions. The organisation will only do an immediate review on HR practices and policy if there are changes to the labour policy that the government describes as key employment terms. Unlike common practice, the organisation does not have lawyers in the HR team for reviewing these policies.

The second respondent, SG2, answered the same question quite comprehensively. SG2 shared that the organisation does revise the HR policies and practices by keeping in view the changes made by government in national employment regulations. For this purpose, all the organisational departments get together to analyse the current policies and practices. After analysing, all the department heads give suggestions based on the market research and deep consultation with lawyers as well as with the clients. The revision of policy is not a short-term task; the team takes months to make changes and get approval for the new policies and practices. The team obtains approval from the legal team, which may ask it to make small or sometimes large revisions before giving final approval for implementation. The revisions in HR policies and practices are always done with the consultation and mutual effort of all the departmental heads. Once the changes are agreed upon and finalised, the team communicates them to all the departmental heads for their inclusion and dissemination in all focus areas.

The third respondent (SG3) shared that the HR department reviews the HR policies in consultation with the relevant members from HR departments that are responsible for watching over the government's employment regulations for business organisations. It is vital to keep an eye on existing policies and the changes made by government, and then proceed with the revisions. The team has to look at the industry standards as well as the organisation's competitors. It means that revisions are not just based on the government's changes in the policy, but also have to be in line with the practices. When the team makes revisions by keeping in view the competitors' practices and presents them before the organisation's management for approval, management either accept them with the hope that the organisation is going to be the first mover—that is, it will apply these changes in its HR practices before all its competitors—or it may reject the changes because no other organisation is implementing them. The revisions are done normally with a gap of at least two years because some policies need to be revised due to environmental changes. For example, salary and compensation policy should be updated

from time to time due to reasons such as increasing inflationary pressures, changing market dynamics and living standards in the country.

**SG4: “The HR policies get a review when new national policies are passed by the government.” (SG4, 2015)**

The fourth respondent, SG4, answered quite briefly that the organisation’s HR policies are revised whenever the government imposes new employment regulations and policies.

**SG5: “The HR policies are usually reviewed when a new labour regulation is passed by the government. An inter-departmental team is usually formed to look into the review and this team consists of senior managers from the various departments. The legal person or lawyer will be in the team as well, as we need to find out or translate what the policy means and how it can be incorporated into the organisation.**

**“If you ask me who heads the team, usually it is myself or my senior vice president. It is not easy working in such a team, as the various department heads might have their own ideas and things can slow down.” (SG5, 2015)**

The fifth respondent, SG5, agreed that changes in HR policies are made in light of new employment regulations by the government. The organisation’s management formulates a team which is assigned the responsibility of reviewing the new employment policy and suggesting the ways the organisation’s HR policies should be aligned with those changes in the most effective way. This team constitutes senior management-level executives along with legal experts who translate the new employment policy and figure out the ways the institutional policy should be incorporated into the organisation’s own HR policies and practices. Therefore, the organisation’s HR policies are always modified in light of national employment policy changes.

From the data obtained, all respondents indicated there is no fixed timeline in terms of HR policy review. Most of the reviews are done on an ad-hoc basis that is reactive in nature. The various HR executives will amend or update the local HR practices and policy if there is a major or key employment term change to the national employment policy. The tripartism system in Singapore ensures that all organisations understand and observe the national employment policy.



#### **4.4.9 Brand name and national policy**

Strong brand names often dominate national policies by making reasonable changes and modifications according to an organisation's own HRM practices (Bratton & Gold, 2012). Some brands do not accept the national employment policies and other laws at all and prefer to operationalise their corporate level policies and practices in the new target markets. These brands may be allowed by governments to start their operations in their countries but soon realise they are not receiving support or empowerment from the governmental departments. When asking respondents about this dominance, the first respondent (SG1) said this was not the case in Singapore. Every brand, whether it is old or emerging, has to adhere to the governmental laws and regulations, irrespective of the size of its business network, scale of operations, strength of its brand name and other factors (Harzing & Punnington, 2010; Schuler, Jackson & Tarique, 2011). SG1 believes that no organisation can be above the law in Singapore; all organisations are bound by it.

The second respondent (SG2) also said that the organisation (IR2) fully complies with the national laws and labour policies, irrespective of the strength of its brand name in the market. Even in some cases, the organisation such as IR2 offers more than the standards or requirements set by the government in its national employment policy. Organisations which are unable to follow the standards will at least try to reach the minimum level. For example, paternity leave or wage increment is part of the national employment policy, but many organisations do not follow this policy. Instead, organisations devise their own standards or wage increment rate according to their annual earnings.

The third respondent (SG3) presented conflicting views to the other respondents. SG3 said the organisations in Singapore may not follow the national employment policies and try to dominate them under their own HR practices because they have a strong brand image and strong business incarnation in the country. The Singaporean government says every organisation is equal in the eyes of the law—those that do not follow the foreign workers quota, for example, will ultimately have to pay the price for it. If an organisation wants to hire local employees and prefer them over foreign workers, it means that organisation is ignoring the national employment policy. In this instance, the organisation has the option to hire these foreign workers through the employment pass scheme that does not come under the foreign workers quota and frees the organisation from any other governmental restriction or quota system. The opportunity cost of hiring these employees at a higher price pays off in the form

of high technical skills and relevant expertise required for the specific job positions (Werner & DeSimone, 2011). To recruit these talented and experienced employees, organisations pay for the employment pass and bear these costs, which ultimately contributes towards better organisational productivity and financial performance in the long run.

The fourth respondent, SG4, said the organisation (H4) completely adheres to the national employment policies incorporated by the government. It translates these national policies into the HR practices and policies which it has been practising since its inception. However, when it comes to employees' job rotation or internal transfer from one department to another, the organisation has its own standards and this does not require any institutional approval.

In contrast to the responses of the fourth respondent, the fifth respondent (SG5) said all organisations operating in Singapore have to strictly follow the national employment policies and translate them into their own HR practices. No organisation can think of passing over the national employment policies—they have to adhere to them irrespective of their scale of operations, size of the business network, the strength of the brand name, and the like (Harzing & Pinnington, 2010). They not only have to follow the government's laws and regulations, but also support the government in their implementation.

Table 4.15 shows 100 per cent support of the Singapore Government's labour policy by all the respondents. All organisations regardless of size must be seen to support the government in all aspects of their policies, due to the authoritarian nature of the Singapore Government. Organisations observed not to conform to the majority will find themselves ostracised and even singled out by the union for not fully supporting the government's directives. The coercive behaviour of the government has resulted in cooperation between employers and the institutions in pushing for a fairer labour environment within the hospitality industry.

**Table 4.15: Participants and the level of government support**

<b>Respondent/Participant</b>	<b>Organisation</b>	<b>Support government labour policy</b>
SG1	IR1	Yes
SG2	IR2	Yes
SG3	H3	Yes, but there are bigger organisations that have sufficient revenues to deviate around the policy
SG4	H4	Yes
SG5	H5	Yes

#### **4.4.10 Training and upgrading**

In addition to focusing on the expansion of the business network, sales and financial performance and market strategies, organisations also need to enhance their productivity through an effective HRM. Among other things, they need to recruit employees that can truly contribute towards the achievement of set targets and objectives and help the organisation in improving its financial performance and market competitiveness. Effective HRM entails recruitment of the right people, at the right place, at the right time, keeping them motivated and well-trained to work in the most effective and efficient way, and provide them compensation and benefits which are attractive and market-competitive at the same time. Successful organisations believe that employees are their real assets and the most important stakeholders. They are primarily responsible for doing the business operations effectively and efficiently for their organisations. If employees are not there, organisations are just buildings without life. This is why employees need to be managed in the same way as other important organisational

resources, like financial resources and information resources, as examples (Robbins & Judge, 2013). To ensure the highest quality of business operations and customer services, managers have to keep their employees motivated and directed towards the organisational goals. There are various ways in which employees can be managed to achieve and maintain excellence in their performance. The most important areas include: managing manager–employee relationships, training and development of employees, job rotation, increased job responsibility or job shifting (switching job responsibilities among different employees for various purposes), analysing and appraising each employee’s progress on a periodical basis, supervising, leading, and monitoring performance and resolving conflicts and issues among co-workers as well as between supervisors and their subordinates or juniors. The most essential of these HRM practices is training and development of employees. Managers or supervisors are primarily responsible for training the organisation’s members (their subordinates and lower-level employees) to get the organisational work done in a well-organised and efficient manner (Robbins & Judge, 2013). This essentially requires them to have developed and maintained strong relations with these employees. It means that organisations should guide and supervise employees in a cooperative way so that they achieve the desired results for the organisation without bringing any issues and problems. HR managers should supervise and guide the employees in their day-to-day job responsibilities and job-related tasks so that work efficiency and effectiveness is achieved (Robbins & Judge, 2013). They should always be available and willing to help employees in cases where they face any difficulty in performing new tasks in the workplace. They must train their employees for perfection in the workplace. During training and development sessions, if conflicts, disputes or misunderstandings arise among co-working employees, managers must be able to handle those situations and resolve their problems in a friendly and cooperative manner (Saxena, 2009).

As part of national employment/labour policies, the Singaporean government encourages local and multinational organisations operating in the country to arrange training and skills development sessions and programs for their employees (Aguinis & Kraiger, 2009) to upgrade their skills, which can have an effect on productivity. When asking respondents about these sessions and programs, all participants gave positive responses. The first respondent (SG1) shared that the organisation goes the ‘extra mile’ compared with other organisations. It arranges individual career development plans for each employee when they come on board the organisation. The career path for each employee is decided according to the requirements of the job in which they are placed. For each promotional level, the employee must undergo fully

fledged training before being promoted to the next level within the organisation. In each training and skills development session, the organisation ensures that the employee has mastered the skill sets and knowledge required to effectively take on the responsibilities of the new promotional level.

In many cases, the employees are assigned tasks or projects beyond their skill set and expertise. In these cases, the employees may ask the organisation's management to arrange a particular training session for a project so that they can perform it in a more effective, efficient and well-organised manner. Realising the need for training sessions on the request of employees, the organisation arranges training sessions, skills development programs and seminars, which are ultimately beneficial for the organisation to improve its productivity and performance through its most important resource—the human capital. For training, the organisation has two options: it may sponsor it out to external parties and bear all costs for the training, or it may conduct these programs on their own. In some cases, the employees are also asked to share the expenses incurred on these training programs.

The second respondent (SG2) also shared the HR practices of IR2. The organisation arranges the training programs for its employees' skills development. The training consists of skills training, leadership training and management training, and all other in-house training programs are arranged by the organisation itself. The organisation conducts the programs that best match the individual training needs. For example, if an employee needs to be trained in customer services, the HR department might have to send the employee to undertake a training program whereby the individual learns how to deal, what are the areas the employee needs to focus and things which should be avoided. The organisation does not discriminate between local and foreign workers while providing the training and skills development programs. The organisation IR2 is a Singapore Workforce Skills Qualifications (WSQ) approved training centre, whereby trainees receive a WSQ certificate upon successful completion of the training.

If an employee requests a job rotation to another department; the organisation IR2 first ensures that both departments agree to the transfer. The department gaining the new team member will assess all training needs and arrange specific sessions so that the employee can perform effectively and efficiently in the new department. The organisation also encourages all team members to become keen learners and always remain in a quest to upgrade their skill set and learn new things which can help employees improve their productivity and performance in the

workplace. There is also a fast-track program for those employees who need limited training in contrast to others who need extensive training when they undergo the job rotation phase.

The third respondent (SG3) said the government fully encourages the workforce in most organisations to improve their skill set and upgrade their technical knowledge. The government provides different grants, mainly including Workforce Singapore (formerly Singapore Workforce Development Agency) and Association of Small and Medium Enterprises (ASME) grants for employees. The government bears the costs of the training; which is around SGD \$900 for those employers which meet the criteria. But if employers are unable to meet the set standards or criteria, the government will only pay SGD \$400, then the rest is to be borne by the organisation itself. In this case, organisations avoid sending their employees for training in order to control their costs. The criteria that have long been reviewed were set at a minimum 30 per cent local ownership for organisations to qualify for the initial grants. If an organisation has more than 50 per cent foreign ownership, then the Singapore Government does not allocate any grants to that organisation. This criterion restricts small or financially weak organisations to participate in these training programs or send their employees for skills upgrade training. Some organisations only send a few employees for training who then go back to their organisation to train co-workers.

Respondent (SG5) had a similar discussion. SG5 shared that training and skills development programs for employees are among the core HRM practices at his organisation. The organisation assesses the training needs of its employees. However, the employees may make the request themselves regarding the arrangement of necessary training programs. The organisation faces all kinds of employees—including those who happily attend those training programs as well as those who avoid these programs and are resistant to learn new things. SG5 said that the organisation will send its employees for training and skills development and often bears the expenses incurred. However, after the training obtained at the organisation's expense, these employees have to sign a contract in which they are obliged to serve the organisation for a particular time period. During this period, they cannot undertake any other job or leave the organisation.

From all the discussion, it can be summarised that organisations need to arrange training and development sessions for their employees. They must arrange different motivational techniques so as to keep them satisfied with their policies and practices. They should regularly assess employees' performance, persuade the low-performing employees, and appraise the

better performers. This will ensure a higher productivity and low turnover in their international incarnations. During training sessions, organisations should receive feedback, suggestions and recommendations from employees to bring improvements in the business processes. This will truly result in a higher productivity than before because employees know their machines and work environment much better than the top management (Pelit, Öztürk & Arslantürk, 2011). In addition to training and development programs, organisations must also find other ways to encourage their employees to work harder and exert a higher effort in achieving the organisational goals. It can be done either in monetary terms or non-monetary terms. In monetary terms, most of the employees are motivated by higher pay, bonuses, commissions, performance packages and perquisites (Robbins & Judge, 2013). Along with the monetary benefits, self-actualisation, self-esteem, social status, a passion to achieve high positions in the organisation, opportunities and competition must be present within the organisational values for the employees. Self-actualisation is a much more imperative factor for a hardworking employee in any type of organisation (Saxena, 2009). These organisational values must be communicated to the employees during their training and development sessions.

After completion of the employees' training and development programs, if the results are not achieved as expected from the employees, managers are required to take corrective actions. These should be done at all levels, and employees should be allowed to take control of the internal and external factors which may negatively affect their performance. Moreover, managers should institute a system by which employees' performance can be evaluated over time. The most effective way is to divide the bigger targets into small targets (Gold, Thorpe & Mumford, 2010). It will enable them to check performance at relatively earlier points in time so that any corrective action can be taken on a timely basis. If managers run short of finance, this pressure should not be put on the employees; the managers should now become more careful in utilising the resources to get the maximum benefits from their limited amount of resources. All the activities in the organisation need to be controlled (Gold, Thorpe & Mumford, 2010). It enables managers to ensure all operations are performed efficiently and effectively. They should always set a standard, reaching which would show a good performance, and any deviation would represent a poor performance.

With a limited population in Singapore and no resources to boast of, the government in Singapore recognises that labour is the only resource that can be considered to be in abundance. The skill set of the workforce needs to be upgraded constantly due to the changing economy,

especially a small economy like Singapore, hence the need to encourage skills retraining by having grants available through Workforce Singapore. The impact of having a workforce that is not adaptable to economic changes could mean a loss of competitiveness in the global arena. All the respondents interviewed indicated that there are training and development programs already in place within the organisation, and this is aligned to the direction of the Singapore Government regarding skills upgrading for employees.

#### **4.4.11 Employment policy, local residents and impact**

The loss of electoral votes in the 2011 election caused a change to the manpower policy by the Singapore Government which introduced a foreign labour quota on all industries. The policy forces the organisations to look at local residents to fill the positions (Trubek & Mosher, 2003). According to the Ministry of Manpower, an organisation is allowed to employ one foreign employee for every six locals employed (Ministry of Manpower, 2018), while prior to 2011 there was no emphasis on the number of foreign workers employed. This institutional policy has restricted certain industries on the source for foreign labour for jobs shunned by local residents. The hospitality industry was one of those affected by the quota. The more manual jobs such as housekeeping are usually done by the foreign workforce, but with the implementation of the foreign labour quota, most organisations are now looking at alternatives around the institutional policy. Local residents still regard the housekeeping jobs as a ‘dirty’ job, therefore to go around the labour policy, the organisations employ local residents in other departments such as HR, accounting, sales and front-facing jobs to satisfy government scrutiny. This allows the organisation to maintain its foreign workers in the less-desired jobs. Giving jobs to local residents reduces unemployment levels in the country (Inekwe, 2013), reduces the poverty level (Daniel, 2014), improves the social life and living standards of the local population (Zheng, Kahn & Liu, 2010) and boosts the economy (Alfaro, Chanda, Kalemli-Ozcan & Sayek, 2010; Ni & Claire, 2012; Anwar & Nguyen, 2010).

In response to the question, what impact has the government’s encouragement of employing local residents brought to the HR policies of the organisation, the first respondent (SG1) said the organisation does not discriminate between local residents and foreign residents. It treats them fairly and equally when they are recruited, trained, compensated or promoted within the organisational departments. However, the company prefers local residents when it has to open new units as part of its business expansion strategy. It screens out the local applicants and conducts roadshows in the area as well as the community centres within the Housing and



Development Board heartland to find the required talent from the local population. It also takes help from recruitment agencies in finding, screening and hiring employees who are local residents. The organisation looks for foreign employees when it feels that the local residents (Singaporeans) do not possess the technical knowledge or skill set required for some particular job positions. In such cases, foreign applicants are given employment opportunity. In Macau and Singapore, there are restrictions to hire foreign workers, but the Singapore government allows a specific labour quota that organisations must strictly adhere to. As far as salary and compensation packages are concerned, the organisations pay equally to the local and foreign workers. There is no discrimination in this regard.

The second respondent (SG2) also shared similar thoughts on the question above. SG2 said the organisation IR2 treats its entire local and foreign workers equally, and respects them without considering their nationality or racial differences. With the institutional policy focus on the employment of local residents, organisations including IR2 have focused on recruiting local residents as well as mature employees into its operations. The labour policy changes have created another issue with turnover among the local residents. The foreign labour quota means that organisations need to have the required number of local staff before employing foreign staff. The competition for local resident employees have caused the organisations to focus more on staff welfare and retention. When it comes to training and skills development, both local and foreign staff are provided equal opportunities. The organisation provides equal job rotation opportunities to both categories of workers by shifting their duties from one department to another. However, whenever the organisation announces a new job position, it first prioritises the local applicants even if they have lesser experience than the foreign workers. The organisation considers its workforce as a single unit. The preference for local workers over foreign workers mainly depends on the nature of the vacant job position. The other finding from this question is the non-negotiable stance of the Singapore Government on the foreign labour quota.

The third respondent (SG3) mentioned that the organisation prioritises locals when giving them employment contracts. The local employees are given open contracts, while the foreign workers are hired under yearly contracts. This shows that the organisation encourages the local resident employees to stay longer at their jobs. The organisation H3 followed the recommended increment percentage suggested by Singapore's National Wages Council, but instead of the three per cent recommendation, the organisation compensated the local resident employees

more than the standard increment policy posed by the government. The method of paying the local resident employees more than the official recommendation is to retain the best of the local staff due to the demand for them.

The fourth respondent (SG4) shared that the organisation prefers to recruit local residents. However, to attract the local residents, the organisation has to pay them an attractive salary and provide market-competitive compensation packages and benefits to keep them satisfied and motivate them to stay longer at the organisation (Miner, 2015; Misra, Jain & Sood, 2013). The last respondent (SG5) indicated that the organisation H5 prefers to hire local residents rather than foreign workers, and that the company has significantly increased this practice over the last couple of years due to the foreign labour quota. The organisation is also strategising to increase the rate of retention among the local resident employees. The Ministry of Manpower also supports the organisation in local staff retention by sending its officers to conduct in-house training for some of the staff. Besides the training, the organisation also pays attractive salaries and compensation packages to the local residents to motivate them and enhance their satisfaction (Pettinger, 2013).

The findings from all the respondents (SG1 to SG5) displays similarities in terms of retention of local resident employees. The reduction of electoral support for the ruling government triggered a series of policy reviews and one such policy is the number of foreign workers in Singapore. Pre-2011, there was a high influx of foreign workers into the country, as the government needs a young workforce to maintain its growth and to replace the ageing population. Unfortunately, this did not go well with the majority of the population and was reflected in the six-seat loss to the opposition party; an event that was almost unseen in Singapore for at least half a century. The effect that followed was the tightening of the porous labour policy. Organisations, regardless of size, soon found that there were additional requirements to employ a foreign worker to fill certain positions, including the increase in foreign worker levies, health checks for foreign workers after a certain age and the quota on foreign labours. Having a quota system whereby organisations are required to employ a certain number of local residents before it can employ foreign labour changes the retention and development of many organisations in Singapore. Retaining the local resident employees became important to many organisations in the hospitality sector because without the number of local staff, the organisation is not able to achieve the number of foreign employees it needs to fill certain positions such as housekeeping, chef and even security officers. Some of the

respondents were even willing to go as far as giving higher than the recommended salary increment for the local employees.

#### **4.4.12 National education policy: does it really affect HRM in Singapore?**

In the last decade or so, the Singapore Government has formed a Committee on the Future Economy in 2002, 2010 and as recent as 2015. The purpose of the committee is to look at the current economy of Singapore and the present global trend that could be a threat to the Singaporean economy, and using this information to plan for the future industries that can power the Singaporean economy for the next decade. Remaking the economy will require new skills, which could see some industries closing and subsequent retraining required for the displaced workforce into the future industries. Education policies could also be reviewed or new courses introduced into the tertiary institutions to prepare the nation for new skills. Before the IR&H opened in Singapore, the government predicting the demand in the hospitality sector informed the education providers to plan for course in the same areas. New courses with a hospitality focus were introduced in the polytechnics to train future employees for the IR&H. Having an education policy that supports the industry ensures there is a reliable pool of talent for the recruitment channel. With institutions training the workforce for the hospitality industry, the retention and development undertaken by the individual organisation will have differ so the staff are adequately trained for the job. The national education policy will affect how organisations undertake their recruitment practices. With a larger pool of talent to choose from, HR executives can focus on other aspects of the candidate rather than minimum requirements. This can also raise the standards of the workforce, as HR can select the right fit instead of 'just fit' for the organisation (Denzin & Lincoln, 2011; Lingard, 2009).

In response to this question, the first respondent (SG1) said the Singapore Government's national policies are favourable for the country as well as business organisations. However, these policies are not always made on time when they are exactly needed in that specific sector. That is, the government does not make policies on an urgent basis when the hospitality sector observes some radical changes in its business environment. As a part of the hospitality sector, the organisation takes such initiatives by itself. It has strong collaborations with industry partners, organisations and learning institutions such as the polytechnics to introduce degrees and courses which are designed especially for the hotels and hospitality sector. The collaborating partners and organisations from industry help the learning organisations and polytechnics in designing the curriculum for the hospitality-related courses. The organisation

has subject specialists who assist the polytechnics in the curriculum development for the students enrolling in these degrees and diplomas. These subject specialists and hospitality management experts are also members of the Academic Boards of these tertiary institutions. In addition to this initiative, the organisation also hires interns, who gain practical knowledge which fully complement the theoretical learning at their institutions. The opportunities for graduates of hospitality and hotel management courses enable interns to gain hands-on experience of what is happening in the sector and the future trends the industry might observe in its business environment. Most of these interns are local residents because foreigners hardly undertake hotel management and hospitality internships due to the difficulty of obtaining a work permit.

SG2 shared that the organisation supports the Singapore Government's national education policy by encouraging the local schools and educational institutions to introduce degrees, diplomas, certificates and short-term courses which are specifically related to the hospitality and hotel management sector. The organisation faces the biggest challenge of finding the right talent for hotels and hospitality services. The respondent SG2 said the Singapore Tourism Board and Workforce Singapore are rolling out a skills-future scheme which is essentially a 'learn and earn' program targeting tertiary student certifications which purely focus on improving the skill set and knowledge base of students in the hotel and hospitality sector. The earn and learn scheme is a successful initiative of the organisation. It is similar to an apprenticeship program in that the scheme allows the student to earn while learning on the job. However, there is a tendency after obtaining these degrees and certificates that students work at these jobs for a very short period of time. That is, they obtain jobs after the completion of their degrees and certificates but soon realise that the hotel and hospitality industry is not as attractive as other industries in the country. Here, the biggest challenge for the hotels and hospitality organisations is to retain this new talent to stay longer at their job. To cater for the employee-retention challenges, the organisation uses job rotation or internal transfer strategies for these employees. Promoting them to higher positions keeps the employee motivated, empowered and satisfied with their job, with more responsibility in the same department or another department of their interest. When these employees gain opportunities for personal growth and development, their morale and overall satisfaction with the organisation increases, and this makes them stay longer and work with more dedication and commitment.

The third respondent (SG3) responded by saying the organisation has now realised that the hospitality sector is rapidly growing and many large educational institutions are offering courses and certificates which train the students in this specific field. With the growth of the hospitality sector and the incorporation of IR&H in the country, the local residents have also realised that they should try making a career in this attractive sector. This change in the local residents' attitude and interest towards the hospitality sector is a positive sign for the organisation.

The fourth respondent (SG4) presented opposing views regarding the impact of the Singapore Government's national education policy on the HRM and recruitment and retention practices of the organisation. SG4 believed that the national education policy has not affected the HRM practices of the hospitality industry. The incorporation of the IR&H, however, has brought a significant change in the sector itself due to the introduction of gaming and entertainment.

The last respondent (SG5) confidently linked the government's national education policy and HRM practices of the organisation. The interviewee believed that the government has now put its focus on the hospitality sector as it has on other sectors. Due to this increasing interest and positive behaviour of the government in the hospitality sector, more and more people are willing to take admission in courses and diplomas related to hospitality and hotel management. This interest of the government also encourages higher educational institutions and universities to introduce hospitality and hotel management diplomas and short-term courses. The initiative will not only enhance the talent pool for the hotels and hospitality organisations, but will also create an opportunity for existing employees to attend these courses and improve their knowledge base and skill set. Due to the availability of various types of courses in hotel management and hospitality, the organisation does not need to worry about recruitment of talented staff from the local population—the pool of relevant talent is always available in the market.

From all the respondents' answers, it is found that the Singapore Government designs its national education policy by looking at the market climate and future trends in all sectors of the economy. The respondents believe that the government is not as active in making policies as it should be—it always makes policies late, and as a result the business organisations must wait a long time to see government action for their particular industry. This behaviour may turn in favour of or against their HRM and other policies and practices. Since the government analyses all sectors of the economy at the same time, the organisations operating in different

sectors cannot predict which national policy will support their practices and which of them will ruin their strategic moves in the industry. To manage this issue, the organisations partner with industry and educational institutions to design the policies and practices which will benefit them in the long run. Anticipating a growth trend in the hospitality industry in the near future, the organisations operating in this industry take the services of educational institutions and polytechnic colleges to design and offer courses which will specifically cater to the need for brilliant talent for this particular sector. The organisations also facilitate these institutions and colleges by sending their experts and subject specialists. These professionals partner with the institutions to design curriculum in which the specially planned courses train students to serve in the industry in the most effective way. The organisations also invite fresh graduates from relevant degrees and diplomas to avail internship opportunities in which they can learn about the key operations of the hospitality organisations. In addition, the organisations also use employee motivation and empowerment strategies like job rotation, promotion, increments, and other strategies to retain them for a longer period of time.

#### **4.4.13 Technological and social changes**

When a business organisation strategises to enter an international market, it first has to carefully analyse its business environment in order to thrive and develop its strong incarnation in those markets (Bratton & Gold, 2012). Market penetration strategies often require organisations to conduct a situational analysis so that they can avail themselves of all the attractive opportunities and predict possible threats which are present in those markets that may affect the business operations (Czinkota, Ronkainen & Moffett, 2011). Besides analysing the target country's business and economic profile, political atmosphere, governmental behaviour, industrial growth and economic indicators, organisations need to analyse the social, demographic, technological and legal forces which are an integral part of the business environment (Cannon & Yaprak, 2014; Czinkota, Ronkainen & Moffett, 2011). The analysis of these environmental forces is vital for the success of a business organisation in the new market despite its competitive strength or financial performance in the existing markets (Cannon & Yaprak, 2014).

The social, cultural and demographic factors portray the earning, spending and living patterns of the customer base within the target market. The analysis of these forces is done more carefully compared to other forces, as it gives important information to all departments of the organisation—that is, what the attitude of the general public is towards its products and

services, employment policies, market competitiveness, promotional strategies and quality management efforts (Cannon & Yaprak, 2014). An organisation seeking to expand its operations overseas needs to carefully analyse whether the local public will accept it as a good employer, and what might be the possible HRM challenges it may have to face in the short term as well as in the long run. The major social, cultural and demographic factors which affect the HRM policies and practices of a business organisation in foreign markets include the lifestyles and preferences of the general public, population shift from rural to urban areas, language, priority to national policies over international policies and awareness of the local laws, as examples. These factors are also examined by business organisations when they need to screen out the most talented workforce from the whole local population (Baker, 2014). In addition to the social, demographic and cultural forces, technology is also one of the biggest factors that distinguish a competitive and dynamic organisation from a non-competitive and static organisation. The use of advanced technological products and machinery in business processes is the key to achieving cost-efficiency and establishing a brand image. In today's modern era, organisations essentially need to incorporate the application of technology in their core business operations. In HRM practices, technology can be found in its application to employee check-in, attendance management, payroll management, security and safety, performance appraisal, reporting and analysis, and many others.

The first respondent (SG1) shared that the organisation has seen drastic changes in its business environment, especially in the social, cultural, demographic, technological and economic patterns. The organisation used to advertise its available job vacancies in the leading newspapers in Singapore, but now advertisements are fully supplemented by social media and electronic platforms. The advertisements are more creative than ever and reach a larger target audience due to the prevalence of technology and rapid social media networking in Singapore. As far as the social, cultural and demographic forces are concerned, they have also affected the organisation's local HRM policies and practices (Lange, 2010). The organisation now hires new talent, but at the same time provides packages and programs to retain existing employees. The growth opportunities provided by the organisation motivate employees to stay longer at the organisation and remain committed to their job responsibilities. Motivated and committed employees work wholeheartedly for the achievement of organisational goals (Schuler, Jackson & Tarique, 2011). There are some employees in the organisation who speak negatively about its HR policies and practices, but the organisation ignores these negative words and always remains in a quest to provide growth and learning opportunities through talent management,

promotional strategies and job-rotation plans. Employees are sent to different departments on an occasional basis so that they can learn new and interesting things which will eventually improve their professional development, as well as benefit the organisation in improving productivity through its human capital. The organisation IR1 has businesses in different sectors, which enables it to give junior employees opportunities to try different things, which can help in retaining this particular category of staff. Therefore, job rotation has never been an issue for HR executives. The employees can be sent to any department or even different offices in the country depending on their skill set, qualifications, experience and interests (Robbins & Judge, 2013; Misra, Jain & Sood, 2013; Miner, 2015; Kehoe & Wright, 2013).

**SG2: “So you talk about technology; this is one of the aspects that they are embarking on. And the other, of course, is to look at how we can incorporate this technology with our younger generation of employees who are more tech-savvy and would welcome these. Keeping them motivated and challenged are the factors that we are constantly looking at to ensure that we have the best talent (human capital) and best service.” (SG2, 2015)**

During the interview, SG2 indicated that technological force will have an impact on the HRM policies and practices of the organisation in the near future due to the organisation’s size, with the labour policy playing a significant role in the push for technology. The participant SG2 expressed that the organisation would be working on implementing automated robots to better and more effectively run its day-to-day operations. The automated robots will be for housekeeping, cleaning and other job duties that are shunned by local residents while foreign labour is in short supply. SG2 also mentioned the need to take initiative and engage the junior employees, which is similar to SG1 which, given the size of the organisations, would want to retain the best employee.

**SG3: “Yes, precisely, yes. So if you are looking at, say for example, maybe the five star hotels, maybe they will prefer to give you that face-to-face rather than just everything is self-check-in kiosks because that one, like your self-check-in, comes to a certain extent like your fast food. You know, because it is very impersonal; you are facing a machine. Do they want that for the high rollers who go to pay \$500 a night? I don’t think so.” (SG3, 2015)**

The third respondent (SG3) talked about the social, cultural and demographic changes and the impact on the organisation’s (H3) HR policies and practices. SG3 explained how social and demographic changes have affected H3’s recruitment and hiring policy as well as increased the



expectations of foreign workers from Malaysia towards their organisation, especially in terms of salary. In the past, most of the foreign workers in the Singaporean organisations tended to be Malaysian due to the common language and culture, but with the increase in education, Malaysian employees are looking at higher-level administrative roles. Therefore the demographic changes to looking at foreign labour from emerging economies. For technological impact, the respondent (SG3) expressed an intense need to implement enterprise-level systems like Epitome or Opera to make the check-in more effective and secure. The organisation also needed an effective HR payroll system depending on the number of employees working in its different departments, operational and functional units and offices. SG3 shared that the implementation of information systems like HR payroll and check-in systems helps in the overall customer service quality, but for an organisation like H3, the preference is to retain some form of human touch to the check-in process.

The fourth respondent (SG4) believed that social, demographic and technological forces do not have a significant impact on the organisation's HR policies and practices. The organisation prefers personal coordination with the guests or customers, as it does not want the technology to overtake the human interaction and end the unique personal experience, which the customers always expect from the organisation's staff.

**SG5: "The organisation is looking into automating certain aspects of the process, but of course we still want to keep the face-to-face during check-in, as you would also prefer a human face rather than a robot, if I can say that. Sometimes the guest comes back or returns to the hotel because of the service. They want to feel at home. Of course, the TV, radio, temp control, and even room service can be changed using technology or robots." (SG5, 2015)**

SG5 shared the same views with the researcher. The HR executive (SG5) believed that technology must not overtake human interaction with incoming guests. The organisation would never prefer automated robots or machines to welcome their guests and greet them. The respondent said most of the customers return to the same hotel because they get good customer service. However, some practices can be made innovative with the passage of time with the upgrade in technology (Harzing & Pinnington, 2010; Boella & Goss-Turner, 2013; Brewster, Houldsworth, Sparrow & Vernon, 2016).

Based on all five responses, it can be said that it is vital for business organisations to conduct an environmental analysis before entering a new market. This analysis consists of the evaluation of all those factors that are present in the external environment of the business and may affect the organisation's business in one way or another. The company may have been performing excellently in its home country, but the external environment of the target country is totally different from that of the home country (Cannon & Yaprak, 2014). Therefore, a complete external environmental analysis is essential to evaluate the intensity of all the present forces in the target market. The external environment consists of economic, socio-cultural, political, legal, technological and competitive forces (Czinkota, Ronkainen & Moffett, 2011).

#### **4.4.14 Relationship between corporate and local HRM**

When organisations enter new international markets, they take their corporate values, vision and mission along to incorporate them into those markets (Hill, Jones & Schilling, 2014). To run their operations in a legal and well-organised fashion, organisations essentially need to give equal focus to their centralised policies and the policies specifically designed for their regional and target countries independently (Bratton & Gold, 2012). An organisation must have a clear and concise vision and mission. These are the core elements of an organisation's corporate-level strategies which serve as the guiding principle for designing and formulating their long-term goals (King, Case & Premo, 2013; Cady, Wheeler, DeWolf & Brodke, 2011). On the basis of those goals, organisations strategise to operate and compete in the market in an effective and most profitable way (Hill, Jones & Schilling, 2014; David, 2011). An organisation must align its target country's policies with its corporate-level vision, mission and organisational values. These include HRM policies, sales and marketing policies, operational policies, financial policies, and the like. Good corporate values and the vision and mission of an organisation, in addition to stakeholders, place equal focus on the wellbeing of its employees (Rajasekar, 2013). The corporate values are incorporated into the local unit's HR policies and practices to ensure the maximum wellbeing and welfare of the organisation's employees. This is only possible when the organisation not only provides an excellent working environment for its employees, but also compensates them with market-competitive packages and benefits. Good corporate values also require organisations to provide excellent growth and learning opportunities for employees, which ultimately contributes towards increasing their level of motivation and satisfaction with the organisation (Kehoe & Wright, 2013; Robbins & Judge, 2013). Corporate values are also important for organisations that wish to keep strong coordination among its subsidiaries and functional units operating in different countries and regions, and want to keep

them directed towards one common goal (Bratton & Gold, 2012). Keeping in view the corporate-level values and policies, these functional units and subsidiaries design their own policies and mould their day-to-day practices according to these international policies. Conversely, these units may find their international HRM policies good enough for their local operations and apply them as they are. If they want to change them, they must keep a balance between the international policies and their local HRM practices. There are corporate policies which organisations never wish to change in their local offices or operational units. These may include the common organisational goals and vision (Bratton & Gold, 2012). On the other hand, organisations modify their HRM practices including compensation packages, working patterns and hours, the code of conduct, governance principles, employee performance appraisals and motivational strategies, recruitment, and interviewing and hiring methods (Brewster, Houldsworth, Sparrow & Vernon, 2016; Harzing & Pinnington, 2010; Bratton & Gold, 2012).

When the interviewer asked respondents about the relationship between the international corporate level and local HRM practices, factors and inputs, they each gave mixed responses. The first respondent (SG1) said the HRM policies and practices need not be customised to suit local practices. Rather, the company applies the international or corporate practices and policies in its local incarnations. The organisational ranking structure and employees' leave policy are standardised, whereas all other practices and policies accord to the local jurisdictions. The local unit need not apply the centralised policies which are applied at the corporate level. The organisation modifies its recruitment policies, compensation packages, promotional plans, and training and development practices according to the requirements and needs of its local operations.

The second respondent (SG2) shared that the organisation follows a balanced approach while implementing its HRM policies. There are some policies and practices which are centralised for the whole corporate group. These policies and laws include, but are not limited to, the compliance policy, corporate code of conduct, principles of governance, compensation policy and the like. The third respondent (SG3) shared similar facts with the interviewer. SG3 was of the opinion that there are some laws and standards which are directives from corporate headquarters (HQ) and the organisation follows them at the local levels. The organisation does not bother to make changes or modify these directives for their local operations—for example, how employees treat guests and how they provide customised or tailor-made services to clients

and behave in a fully professional manner. Similarly, organisations use a mixed approach when recruiting and hiring employees for their local operations. Some organisations prefer to hire full-time workers with a view to having a dedicated and committed workforce, while others hire part-time workers to save on benefit costs, which only full-time or permanent workers are entitled to.

While reporting on HRM policies and practices applied at the local level to the corporate office, the local office states the reasons why the local laws and policies are preferred over corporate policy. The corporate office understands the changes which the local office makes because it knows that not all policies and laws can be applied as they are. In some cases, the corporate office outlines international HRM policies to the local office so that they can later modify or customise them according to the local laws and regulations. The fourth respondent (SG4) stated that the local organisation does not follow the international HRM policies and practices because the national policies are suitable enough to achieve the set objectives and targets. However, the local office first needs permission from the corporate office to implement the modified HRM policies into their local operations. The corporate office asks the local office to justify changes in the corporate laws and policies before approving their implementation. The corporate office approves these changes and modifications on the basis of their judgement of the business environment and government regulations under which the local office operates. The fifth respondent (SG5) presented similar views regarding the relationship between the international corporate level and local HRM practices, factors and inputs. SG5 was of the view that the organisation's HQ does not enforce their corporate-level HR policies to be implemented at the local levels. Corporate HQ understands the labour regulations, HR laws and all types of environmental complexities which the local offices face while operating in Singapore. Therefore, in some cases, HQ does not even require local offices to obtain their approval before implementing their self-designed HRM policies in their local operations. In contrast, HQ may ask the local office to align some of its HR policies with the corporate policy. Management at the corporate office respects the modifications made by local offices and allows them to operate under the umbrella of the corporate values.

Based on the interviews, 100 per cent of respondents acknowledged that there is no interference from corporate HQ on local HR practices. HQs understand that in order to operate in the host nation, the local subsidiary needs to adhere to local regulations. Respondent SG1 indicated that Singapore is the corporate HQ and for the other subsidiaries to operate in the host nations, the

organisation must allow autonomy for those subsidiaries to translate and implement their own HR practices and policy that suit the local environment.

The other respondents (SG2, SG3, SG4 and SG5) agreed that the respective corporate HQ does not interfere with the HR practices and policy of the local subsidiaries; however, SG3 and SG4 did share that local HR practices and policy were sent to corporate HQ for perusal. According to SG2, the governance principles and code of conduct for organisation IR2 were the same as those found in corporate HQ. Table 4.16, shows which of the organisations (IR1-H5) have to adhere to the policies from corporate HQ.

**Table 4.16: Intervention by corporate HQ**

Respondent	Organisation	Interference from corporate on policy
SG1	IR1	Singapore is the corporate HQ, but as HQ they realise that the policy translated must suit the needs of the local organisation
SG2	IR2	No, but certain key policies such as compliance and code of conduct comes from corporate HQ—generally HQ does not intervene in local HR policy
SG3	H3	No, but will write a report for corporate HQ explaining why the particular local HR policy for the organisation
SG4	H4	No, will send translated HR policy to corporate HQ for it to be vetted—HQ sometimes may ask why the particular HR practice/policy
SG5	H5	No, but will still send the local HR policy to corporate

From all responses, it can be said that organisations should maintain equilibrium between their centralised international HRM practices and their local HRM policies and practices (Bratton & Gold, 2012; Bratton & Gold, 2012). Bratton & Gold (2012) believe that the corporate level policies and overall culture keep all organisational units tied to one vision, mission and the corporate values. Multinational companies always remain in a quest to maintain tight control, communication and effective coordination among their operational and functional units or subsidiaries (Bratton & Gold, 2012). The local offices or subsidiaries may change or amend corporate level policies and practices to align with local laws, labour policies and government regulations. However, they do not dismiss the corporate values, which become the basis for designing local operational objectives, strategies and tactics. These amendments or changes in corporate policies help the local offices operate in a smooth and sound fashion. The most common HRM policies that are modified by local offices include salary, benefits and overall employee compensation plans, principles of governance, working hours, recruitment and selection procedures, corporate code of conduct and the like (Bratton & Gold, 2012; Harzing & Pinnington, 2010; Brewster, Houldsworth, Sparrow & Vernon, 2016).

## Chapter 5

### Findings and analysis (Macau)

#### 5.1 Introduction

The chapter will discuss and analyse the findings of the interviews conducted in Macau. Six interviews were conducted with Human Resources (HR) executives from the integrated resorts and hotels (IR&H) sector. Macau and Singapore are both small in terms of land size and have a small population that translates to a smaller workforce. For a nation to sustain economic growth there must be a sustainable working population. However, this is not the case for Singapore and Macau which face a labour crunch due to their small working population. Both face the reality of slow economic growth due to labour constraints. The Macau Special Administrative Region (SAR) Government has sought to solve the problem by introducing foreign workers to work in the territory, especially in the hospitality and gaming sector. The foreign workforce was welcomed by the IR&H to offer better service quality to the public while simultaneously allowing IR&H operators to expand their properties. Prior to the handover to China in 1999, Macau's law and HR regulations were largely based on civil law. The civil code, the civil procedure code and the penal code were adapted from Portuguese law and subsequently localised for Macau (Xu, n.d). The labour law during the Portuguese administration was chaotic and not uniform across the different industries, and organisations' respective HR personnel and lawyers were required to translate HR policies written in Portuguese into either English or Chinese (D. Ng, personal communication, July 20, 2015).

Employment measures were taken by the SAR government in 1999 to secure better employment opportunities for local residents by reducing the amount of imported labour. However, rapid changes to Macau's economy following the government's decision to restructure the gaming sector led to heavy demand for foreign labour in varied domestic sectors (Zheng and Siu, 2009). The foreign labour quota varies among IR&H, so the SAR government would have to determine the quantity of imported labour (quota); however, an organisation's bargaining power plays a part in negotiation with the government (D. Ng, personal communication, July 20, 2015). A trend has been observed over recent years that business people who are related or served on the board of IR&H are running for, and winning seats in, the Legislative Assembly, with the intention of legislators to further the interests of the group they represent (Scott & Lam, 2011, p. 97). The SAR government used to subsidise these social



and labour groups as a way of maintaining social and political control, but this is not so for these groups which are financially strong such as those related to the major IR&H operators. The social and labour groups under the IR&H could represent a new challenge to the government and other traditional clan groups (Scott & Lam, 2011, p. 116).

## **5.2 Labour situation in Macau**

With the SAR government focusing on residential employment, Macau keeps a tight rein on imported labour (MacDonald & Eadington, n.d). Phase 2 of the IR&H properties in Cotai are scheduled to open in 2016 to 2017, Macau is facing a serious shortage of residential labour given that the local labour force remains small due to the small population. Labour shortage will become a critical issue for the SAR government and IR&H operators, as the workforce shortage could lead to increasing staff costs for all operators (Liu, Chang, Loi & Chan, 2015). In mid-2014, frontline staff in many casinos asked for better compensation and welfare conditions, even though the gaming and hospitality sector was facing a drop in revenue. The tight labour market caused IR&H operators to raise base salaries by 5 to 10 per cent to retain employees and attract new employees, and by doing so operators have inevitably increased their overall staff and operational costs.

### **5.2.1 Relationship between SAR government, legislative assembly and labour law**

According to Scott and Lam (2011), Macau's Legislative Assembly in the SAR government came into prominence after the SAR was established in 1999. The majority of legislators were pro-government and sought to maintain a harmonious working relationship with the executive branch (assembly) in what they saw as maintaining political stability.

The Legislative Assembly consists of direct and indirect representatives from the traditional pro-Beijing groups, which include the Macau Federation of Trade Unions, General Union of Neighbourhood Associations of Macau, the Women's General Association of Macau and the Macau Chamber of Commerce. These groups were supportive of the government and tend to cooperate with the executive branch (Scott & Lam, 2011, p. 65). Changes came in after the 2001 Legislative Assembly elections, when legislators questioned the government about land policy, greater transparency and business-government collusion (Scott & Lam, 2011, p. 66). Increased economic growth and higher government revenue due to liberalisation of the gaming industry resulted in greater expectations by the residents of Macau. This empowered the Legislative Assembly to question and hold the government accountable to its actions and

policies. Although there were increased job opportunities as a result, the quality of life for the residents did not improve, and workers were worried about the government policy on imported labour (Scott & Lam, 2011, p. 66).

Before the establishment of the SAR in 1999, Macau did not have a uniform set of labour laws (D. Ng, personal communication, July 20, 2015), and this led to a series of labour issues and demonstrations which forced the SAR government to begin its labour law reform and simultaneously recognise its lack of capacity to implement policy. The move implied that the government needed the support of the various social and political groups and organisations, including the Legislative Assembly. The development of labour policy during this period showed the way in which the government's relationship to the legislature had changed (Scott & Lam, 2011, p. 70). A new labour relations law and import labour law were submitted to the Legislative Assembly but were met with resistance from the pro-business group legislators, who believed that the labour law was biased towards the working class and detrimental to the interest of businesses. Strong opposition to the new labour law had the chief executive of Macau Special Administrative Region (SAR) to invite pro-business legislators and representatives of business groups to a special dinner, before the Assembly voted in the new labour relations law (Scott & Lam, 2011, p. 72).

### **5.3 Description of interview participants**

The introduction of the new labour law and the law of the recruitment of migrant workers in 2009 has changed the employment landscape in Macau. Macau's HR offices now evaluate applications from organisations for foreign labour importation and determine if there is indeed a need for imported labour to fill a position. The system also specifies which positions (for example, managerial and above) must be filled by local residents (Leong, 2015); this was exacerbated by a small residential labour pool which caused wages for some positions to soar. Supply and demand of the limited residential labour ultimately had an effect on an organisation's operational costs, recruitment and retention. Labour policies implemented by the SAR government are akin to the Lego building blocks required for building a structure; in this instance, HR practices are either directly or indirectly derived from the labour policy.

The language used for all government documents including the new labour law is written in Portuguese and Chinese, as both are official languages used by government departments. Upon approval by the Legislative Assembly, organisations review their existing HR practice,

translate the new law or regulation, if necessary, and implement it into the organisation. A team that consists of a HR director/manager, corporate lawyers and other members of an organisation (D. Ng, personal communication, July 20, 2015) usually does the review and translation of HR practices.

The HR director/manager is the person this study focused on to find out if individual preference, local grounding, strategic reframing and corporate directives influence the way they view the law, and the research hopes to determine the factors contributing to the translation of the labour law. Table 5.1 provides a list of representatives of the five organisations who were interviewed, and outlines their position in the organisation.

**Table 5.1: Profile of interview participants in Macau**

Position	Organisation
Director Human Resources and Administration	MA1
Senior Vice President of Human Resources	MA2
Director of Personnel and Training	MA3
Director of Human Resources	MA4
Director	MA5
Director of Human Resources	MA6

Interview participants were chosen based on meeting the following criteria: they worked at an integrated resort of a reasonable size, in a hotel with international presence, and the hotel's management style. Interviews were conducted face to face, with participants addressing 15 questions.

## **5.4 Data analysis**

This chapter deals with an analysis of the data collected from the interviews conducted in Macau. Responses were analysed individually to uncover any commonality or unique differences between the participants and their answers to the research question. Interviews were conducted in June and July 2015, with each interview lasting approximately 60 minutes.

### **5.4.1 Professional qualifications**

The first of the 15 questions asked looked at the participants' educational level and professional certification—one of the indicators that could influence the translation process. Qualifications and knowledge acquired through formal education; skills, competencies and expertise while on the job are components of HR (Bratton & Gold, 2012). The interview revealed that all participants have at least a minimum qualification of a diploma, with the highest qualification being a PhD. However, none of the participants did their initial studies in the field of Human Resources management (HRM). Table 5.2 projects the data.

**Table 5.2: Participants' educational background**

<b>Participant</b>	<b>Organisation</b>	<b>Highest standard</b>	<b>Area of study</b>	<b>Overseas/local qualification</b>	<b>Local resident of Macau</b>
MA1	IR1	Degree	Psychology	Overseas (Australia)	No
MA2	IR2	Degree	Law	Overseas (Portugal)	No
MA3	IR3	Degree	Hotel Management	Overseas (U.S)	Yes
MA4	H4	Diploma	Sales and Marketing	Overseas (Canada)	Yes
MA5	H5	1. Degree 2. Master 3. PhD	1. Hotel Management 2. Education 3. Business	Local (Macau)	Yes
MA6	H6	1. Degree 2. MBA	1. International Trade 2. Management	Overseas (China)  Canada	No

Of the three major educational institutions—University of Macau, Macau University of Science and Technology and Instituto de Formação Turística—only the University of Macau offers a program with a HR major, which shows that the number of local graduates will not be enough for new properties opening within the next few years starting from 2015 up till 2017 (Master, 2014). The interview saw an even split (50/50) between locally born and overseas-born HR managers. Of the three locals, two obtained their higher education in North America. The participants' qualifications and work experience played a part in their cultural background to a certain extent.

#### **5.4.2 Cultural background**

Culture is not something people inherit, but rather they learn a code of attitudes, norms and values and a way of thinking within a social environment. Family, the social environment, school, friends and work all help to form this cultural code and determine how people see themselves and the world (Shen, Chanda, D'netto & Monga, 2009). The interview with the participants revealed a diverse cultural background in that MA1, MA2 and MA6 were born overseas, and grew up and received their education in their respective home country. MA1 and MA2 are categorised as nationalities of a western cultural environment, while MA6 is identified as belonging to the eastern cultural environment, according to Hsu, Woodside and Marshall (2013) and Meyer (2014, p. 39). However, a closer look reveals the differences, even though MA1 and MA2 have commonalities in terms of their western-society upbringing. Using Hofstede's cultural dimension, the diagram below shows the differences of the two western nations.

**Table 5.3: Cultural dimension index for Australia and Portugal**

<b>Cultural Dimension Difference for MA1 and MA2</b>					
	<b>Power Distance Index (PDI)</b>	<b>Individualism Index (IDV)</b>	<b>Masculinity Index (MAS)</b>	<b>Uncertainty Avoidance Index (UAI)</b>	<b>Long-term Orientation (LTO)</b>
<b>MA1 (Australia)</b>	36	90	61	51	31
<b>MA2 (Portugal)</b>	63	27	31	104	30

Source: (Preda 2012)

The cultural dimension index suggests two nations that are culturally on two ends of a stick: MA1 comes from a society that believes in minimum inequality whereby superiors and subordinates are all the same and therefore everyone should enjoy or share the same privileges (Shen, Chanda, D'netto & Monga, 2009). MA2 is the exact opposite, with a 'we' mentality as indicated by the low individualism index. The relationship-focused nature of Portugal's (MA2's home country) culture is highly reflective of the score in the individualism index. Both nations shared a similarity for short-term orientation where loyalty towards others can vary according to the needs of business and is not about developing and maintaining lifelong personal networks (Shen, Chanda, D'netto & Monga, 2009).

Of the three participants who grew up overseas, MA6 is the only one from an eastern cultural background that is closely similar to Macau's environment, given Macau is part of Greater China with centuries of history between them and a population with ancestry tracing back to southern China. As such, participant MA6 shares certain cultural similarities such as education (elementary), society and religion with the other locally born participants, MA3, MA4 and MA5. In terms of cultural dimension, participants MA3, MA4, MA5 and MA6 all display the same indexes. Table 5.4 shows the cultural dimension of all participants and provides a more concise picture.

**Table 5.4: Cultural dimension index for Australia, Portugal, Macau and China**

<b>Cultural Dimension Difference for All Participants</b>					
	<b>Power Distance Index (PDI)</b>	<b>Individualism Index (IDV)</b>	<b>Masculinity Index (MAS)</b>	<b>Uncertainty Avoidance Index (UAI)</b>	<b>Long-term Orientation (LTO)</b>
<b>MA1 (Australia)</b>	36	90	61	51	31
<b>MA2 (Portugal)</b>	63	27	31	104	30
<b>MA3 (Macau)</b>	80	20	66	40	118
<b>MA4 (Macau)</b>	80	20	66	40	118
<b>MA5 (Macau)</b>	80	20	66	40	118
<b>MA6 (China)</b>	80	20	66	40	118

Source: (Preda 2012)

From the cultural indexes in Table 5.4, participant MA2 has two scores (power distance and individualism) which are similar to MA6 and the local Macau-born participants. MA2 will find Macau easier to adapt to, as it retains Portuguese as one of its official languages. The working



environment according to the cultural dimension implies that MA2 would be comfortable working in China or Greater China (Macau) due to the similarities. Cultural background together with education could influence the translation of national employment policies.

#### **5.4.3 Did education plus culture influence policy translation?**

Culture is an integral part of all human societies (Shen, Chanda, D'netto & Monga, 2009). Without culture, societies would not have the required behaviour or a set of frameworks that define exchanges between people. According to Hsu, Woodside and Marshall (2013) and Shen, Chanda, D'netto and Monga (2009), members of a group or citizens of nations are programmed by that group to perceive the world in a certain way, which implies that the group's culture is somehow learned rather than being inborn. This is passed down from generation to generation and is the basis of the socialisation process in childhood, when norms of behaviour and the values on which these norms are based are learned (Shen, Chanda, D'netto & Monga, 2009; Schuler and Rogovsky, 1998). Another method of learning is through education, whereby knowledge and national culture are transferred from teacher to student. This variable may influence the translation of national policies (Bratton & Gold, 2012), as education may play a part in moulding the individual preference of the interviewee in terms of their personal and professional trajectories in life (Shen, Chanda, D'netto & Monga, 2009). Of the six participants, five (MA1, MA2, MA3, MA4 and MA6) agreed that their experience and education, whether directly or indirectly, does play a part in the translation process. The commonality displayed by the participants showed foreign educated/trained HR managers as the ones who are more willing to apply their educational knowledge to their work and interpretation of the national employment policy.

**MA1: "I would say training in education would lead me to have a fairly strong appreciation of personal development, community development, the role of education in creating a developed economy, so therefore many of the national policies that I would read in terms of direction, I guess my education background helps me understand their importance, the rationale for them and how they could be implemented."**

**"When I was very young and finished university, I applied for a job with Nissan motor company and started off there at the HR department." (MA1, 2015)**

Having undergone an Australian education system, MA1 was receptive to contributing ideas and knowledge to the translation of the HR policy, as the Australian curriculum prepares a student for social and economic participation (Australian Curriculum Assessment and Reporting Authority, n.d). The other contributing factor would be the individualism nature of Australia. This was displayed in the two statements made by MA1 about how MA1's education and early work experience in a Japanese automotive company moulded the participant's thoughts and the way to read policy in the current role. Based on the cultural dimension chart in Table 5.4, MA1 is individualistic due to the country where the participant grew up; however, later in the interview MA1 came across as more of a collectivist.

**MA2: "...because I am a lawyer, so being a lawyer it is easier to read laws and to understand what the policies are saying. So they do play a part but in a positive way." (MA2, 2015)**

Participant MA2, a former lawyer in Portugal, was able to relate more to the translation of national policy owing to the fact the participant was trained to read, analyse and interpret law cases prior to attending court. The training certainly prepared and help MA2 in the role as the senior vice president of HR for IR2. During the course of the interview, participant MA2 ascertain that their experience as a lawyer makes it easier to understand what the national employment policy is about. Therefore being Portuguese gives MA2 the advantage of understanding the original labour policy of Macau, given the labour law is written in Portuguese before it is translated into Mandarin and English (D. Ng, personal communication, July 20, 2015).

The statements above from MA1 and MA2 may reinforce the concept that educational background is one of the factors that impacts on the translation process. Results in the later sections will help determine if individual preference has a major influence in the translation process.

The responses from MA1, MA2, MA3, MA4 and MA6 indicated that some distinctive traits of human capital can be categorised into either generalist or specialist (Kang & Snell, 2009). A specialist is one who has in-depth knowledge that is localised, embedded and invested within particular knowledge domains; while the generalist (a graduate with a liberal arts degree or generic business degree) tends to be multi-skilled with more versatile capabilities that can be used across alternative situations (Kang & Snell, p. 68). MA1 exhibited traits of a generalist who is flexible, with a broad range of knowledge: the previous work experience in an

automotive industry could have exposed MA1 to a variety of ideas, and to have developed flexible cognitive abilities and motivation to combine diverse knowledge. The automotive industry is multifaceted in nature, much like IR&H has been characterised as a self-contained community with diverse functionalities and operational requirements. The years of working in the automotive industry since graduation in Australia prepared MA1 to be an HR employee who is able to explore the multiple knowledge domain.

In contrast, MA2 seemed to exhibit a very different trait, which is likely the result of MA2's education and training. Starting a career as a legal professional mean that MA2 needed to be a specialist in the legal environment. The specialist mentality could effectively cause MA2 to be myopic in terms of knowledge domain, which could thereby affect the translation process. From the stance of the IR&H, HR managers such as MA2 who are narrow in their knowledge domain yet trained as a legal expert could be a valued asset to the organisation through their contribution pertaining to national employment policies.

The question on educational and family background unveiled that 83.3 per cent of participants allowed their education and work experience to influence them in policy translation. This initial investigation suggested that individual preference is involved in the translation process, but the researcher had to go through three more questions before determining whether individual preference is indeed a contributing factor.

The area of human capital (specialist/generalist) is a field the researcher will investigate outside the PhD research.

#### **5.4.4 Beliefs and values**

Values are imperative for action (Brewster, Houldsworth, Sparrow & Vernon, 2016), as individual values can be seen as a catalyst in decision-making. The values that are indoctrinated into every individual are strongly influenced by the social or cultural system in which people are raised (Moyano & Lengler, 2013). According to East, Singh, Wright and Vanhuele (2016) and Moyano and Lengler (2013), culture represents the significant values, attitudes, beliefs, artifacts and other symbols that are represented by the lifestyle adopted by people, and this helps them to interpret, evaluate and communicate with one another in society. Human values are goals that vary in importance and serve to guide people's lives. As such, a values system is considered a learned way of organising principles and rules to help choose among alternatives for resolving conflicts and making decisions (Moyano & Lengler, 2013). The interview with

the various HR managers in Macau have shown that organisations are moving away from rigid bureaucratic structures to become more flexible, adaptive organisations, which is accompanied by a shift in management styles from hierarchical to human relations-oriented expertise (Brewster, Houldsworth, Sparrow & Vernon, 2016). With a limited pool of local employees to tap into, most of the IR&H in Macau have become values-driven with employee-centred HRM practices (Brewster, Houldsworth, Sparrow & Vernon, 2016). All participants indicated that values were incorporated into the workplace. In the interview with MA1, it was indicated that the participant's own personal values were incorporated into the organisation and they helped shape the practices. According to MA1, the HR director was selected to join the organisation due to similarities in terms of the HR director's and the organisation's values. The HR director for IR1 (a Chinese business) was an Australian who displayed what Hofstede describes as a high individualistic characteristic and lower-power distance compared to the eastern culture. The difference in cultural background and values between MA1 and the organisation (IR1) could have created an uneasy working relationship.

**MA1: "My values help shape those practices inside the organisation and I guess I would say that the owners of the company who selected me to join, and I have been here eight years, they didn't sack me in the first year because they didn't like me. I guess our values are pretty much aligned but their cultural values are from a Chinese point of view; their personal values from a business point of view are fairly well aligned to the values that I have, and therefore I think we work well together." (2015)**

The statement above shows that MA1 had been with IR1 for eight years and, during the interview, MA1 believed their longevity in IR1 was down to the fact their personal values aligned with the organisation's. As highlighted earlier, MA1's previous work experience with Nissan (Japanese company) in Australia could have possibly shaped their personal values and work culture such that there is alignment with the organisation's values (IR1).

MA2, who is from a foreign-based multinational firm (IR2) in Macau, mentioned how their personal belief was incorporated into the firm. MA2 was head of HR as was MA1. Responses by MA2 showed firstly the paradigm shift to more flexible, adaptive and human relations-oriented HR practices, hence the willingness to incorporate the values of its employees (HR managers). This is in line with the industry, given the high turnover due to the shortage of labour (Fok and Ruth 2016).

The transition to human relations -focused HRM is partially due to the labour shortage, especially in the IR&H industry. The demand for quality service has created a problem for Macau's hospitality providers, as there is not enough labour supply (Fok & Ruth 2016), therefore employee retention has moved to the forefront of most HR policy. The incorporation of employees' values into the workplace/HR policy suggested the shift in HR practices. The values that were incorporated into the respective organisations are listed in Table 5.5.

**Table 5.5: Values of respective HR managers incorporated into the firm**

Interviewee	Organisation	Values	Incorporated into HR policy/department
MA1	IR1	<ul style="list-style-type: none"> <li>• Inclusiveness (include the staff in decision-making; have transparency)</li> <li>• Collaboration (between staff)</li> <li>• Respect for the individual</li> </ul>	Yes
MA2	IR2	<ul style="list-style-type: none"> <li>• Customer service (To be better today than yesterday and the day after)</li> <li>• Personal Development</li> <li>• Openness (to get feedback from the staff about what is good and what needs to improve)</li> </ul>	Yes
MA3	IR3	<ul style="list-style-type: none"> <li>• Integrity</li> <li>• Transparency (honesty to management and fellow employees)</li> </ul>	Yes
MA4	H4	<ul style="list-style-type: none"> <li>• Hard work</li> </ul>	Yes

		<ul style="list-style-type: none"> <li>• Faith (Getting the staff to believe that they can achieve what they put their mind to)</li> </ul>	
MA5	H5	<ul style="list-style-type: none"> <li>• Hard work</li> <li>• Customer service</li> </ul>	Yes
MA6	H6	<ul style="list-style-type: none"> <li>• Teamwork</li> <li>• Integrity</li> <li>• Personal Development</li> </ul>	Yes

From Table 5.5, the frequency of values such as hard work, integrity, customer service and personal development appeared twice, while transparency or openness were mentioned three times by three different interviewees. This gives an indication that transparency is one of the values much emphasised by the HR managers. The interviewees pointed out that they have transparency by either getting staff to participate in the decision making (MA1) or transparency in the form of honesty and feedback (MA2 and MA3). The information in Tables 5.4 shows that respondents MA1 and MA2 are foreigners who displayed lower power distance due to their education and national culture, while MA3 spoke in the interview about their education in Hawaii (US) and work experience in the US after graduation. Exposure to the western management style could have influenced the interviewees (MA1, MA2 and MA3) in having transparency as one of the values they incorporated into their workplace.

For question 2, all the interviewees pointed out that their values were included in their workplace, and this shows a move into a human relations focus-based HRM, regardless of the size of the property and the ownership (Chinese owned or foreign-based MNCs). Having values incorporated into the workplace indicates a high possibility that the same set of personal values of the HR manager will be incorporated into the HR policy during the translation process.

### 5.4.5 Mentors

In most cultures, the role of a teacher, guru or sensei serves an important function in the passing down of knowledge and, according to Cambridge dictionaries (Online, 2016), a mentor is someone who gives a younger or less-experienced person help, or provides advice over a period of time, especially at work or at school. Ramalho (2014) proposed that access to a mentor was advantageous to the protégé/understudy's career outcomes. Not only does mentorship benefit the protégé, but also it provides the mentor with certain benefits, such as rejuvenation of the mentor's career and the satisfaction of assisting another person to develop their capabilities. Other advantages include becoming a better listener and improving overall communication (Robbins & Judge, 2013). Besides career outcome, it seems that the protégé who had an extensive mentoring relationship had a higher income and was likely to be more satisfied with their pay and benefits than others who have little mentoring or not had any mentor (Robbins & Judge, 2013). One of the critical aspects of a mentor is to provide the protégé with new skills and become competent in the role in which he/she is employed for. The benefit goes beyond the mentor and protégé—having a senior figure assigned to guide a new person in the role will benefit the organisation. An increase in commitment has been identified as one of these for the firm. Desimone, Hochberg, Porter, Polikoff, Schwartz and Johnson (2014) found that employees who were mentored had higher job satisfaction, a stronger work ethic and less of an experience gap with their mentors.

The knowledge of how the organisation functions, norms and values were transferred from the mentor to the less experience staff. 33% of respondents (MA3 and MA4) strongly indicated that they had a mentor during the initial stages of their HR career in their respective hotel. For question 3, respondent, MA1 stated that there were many people who influenced their thought development.

**MA1: “Honestly, I don’t think I have anyone I would call a mentor. I have lots of people who have influenced my development thought, but often people think of a mentor as someone like a boss or big father figure or mother figure or something like that. I don’t really think I’ve had someone like that. Not what I would call a mentor. So I have had lots of people who have influenced me and those influences are very diverse. So yes, I have had bosses who have been very influential, but I’ve had team members reporting to me who have been equally influential.” (MA1, 2015)**



During the interview, MA1 revealed that they had not had a mentor but had people influence their thought development. The people who played a part in MA1's career ranged from a former supervisor to team members that had worked with MA1. This is depicted in Table 5.4, which shows MA1's background is of a low power distance, could indicate that MA1 is more in tune with the rank and file when compared with the other respondents. For question 3, two interviewees who had a mentor to guide them in their work displayed similar values as their mentors, as transcripts from both MA3 and MA4 below indicate.

***Interviewer: In Macau, was there someone who mentored you as well? When you first joined maybe this organisation as a HR person?***

**MA3: "Well, if talking about when I first joined the organisation (H3), of course my GM was my mentor, but of course he is not within the HR department. Rather to say he is my direct supervisor and he is my mentor. He taught me a lot in terms of HR." (MA3, 2015)**

In the interview above, MA3 pointed out that the mentor they had was the general manager (GM) who was their direct reporting manager. It is important for the mentor to have the respect of the protégé and to provide a positive working environment for the individual (MA3). This demonstrated that the mentor is a credible person who delivered something that was promised to the protégé (Robbins & Judge, 2013).

***Interviewer: Because being your mentor, did you sort of also absorb or get some of his beliefs and ideas, and how to deal with certain situations? So did you absorb that and then put it into the job as well?***

**MA3: "Yes, definitely, definitely. In terms of HR management I think he taught me a lot and I learned a lot from him and was quite influenced by him, I would say. So all his policies, how he handled things, we still carry on until now." (MA3, 2015)**

Based on the conversation with interviewee MA3, the statement above indicates how MA3's mentor influenced the respondent in terms of the way they handle the HR department today. The mentor's influence can be seen in the way things are carried out today (July 2016) within the HR department. This reflects how much influence the mentor had on MA3. The influence of the mentor is also found in the interview below with MA4.

**MA4: “Of course, this is my former GM, not this one, the previous one. He is the one who said I can do it but actually I have no idea about HR at the time. And he said, you can do it (name). If you work hard, you try, you can do it, you can do it no worry.” (MA 4, 2015)**

Both MA3 and MA4 had the general manager as their mentor who also happened to be their respective reporting manager. From the interview with MA4, some resemblance in the values between the interviewee and the manager can be seen. Both shared the values of hard work and having faith. MA4’s response shown in Table 5.5 lists hard work and faith as the values incorporated into H4, which suggests that interviewee MA4 may have been influenced by their mentor when first starting out in the HR role with H4.

Question 3 saw the interviewees split into two categories. It was pointed out that the group that was mentored (MA3 and MA4) had shown traits of their mentor in the similarities in their values and processes, whereas the other group who had no mentor either had to learn the role themselves as they went along (MA2 and MA6) or were influenced by different groups of people during the course of work (MA1). The information in Table 5.6 shows the influence a mentor can have on their protégé in terms of their values and the work done by them. Though it is 33% of the total interviewees it nonetheless indicates that mentors do have an important role in the policy translation process, even when they have left the organisation.

**Table 5.6: Mentors and their influence**

<b>Interviewee</b>	<b>Organisation</b>	<b>Mentor</b>	<b>Work and values influenced by mentor</b>
MA1	IR1	No	Not Applicable
MA2	IR2	No	Not Applicable
<b>MA3</b>	<b>IR3</b>	<b>Yes</b>	<b>Yes – Processes and Policy</b>
<b>MA4</b>	<b>H4</b>	<b>Yes</b>	<b>Yes – Values</b>
MA5	H5	No	Not Applicable
MA6	H6	No	Not Applicable

#### **5.4.6 Nationality, training and policy**

Globalisation is influencing the way businesses are conducted and this effect is felt by most organisations around the world, regardless of size and geographical location. Most multinational organisations tend to have a presence in different locations and a tendency to employ a diverse workforce. Due to the diversity, HR has to adapt and make the necessary changes or modifications to the way the organisation functions (Jacob & Jolly 2012). There are indications pertaining to question 2 which suggest a shift to a more human relations-focused HRM for Macau's IR&H. Moving to a soft approach (human relations) of HRM enables an organisation to listen and take in the views of their diverse workforce, which could be a factor influencing HR managers/directors when translating the national policies to HR practices.

Question 4 is similar to the earlier question 2 in the sense that one is looking into incorporating values in the HR policy, while question 4 aims to identify if the nationality and training of the HR manager/director translated into the HR policy. According to interviewees' responses as shown in Table 5.7, five of the HR managers acknowledged that their training or past work

experiences were used at some point for the translation of HR practices within their organisation.

**Table 5.7: Influences of training, past work experience and nationality**

Interviewee	Organisation	Does the HR manager's/director's nationality OR past work experience OR training influence policy translation?
MA1	IR1	Yes – past work experience
MA2	IR2	Yes – legal training
MA3	IR3	Yes – past work experience
MA4	H4	Yes – past work experience
MA5	H5	No
MA6	H6	Yes – past work experience

The question can be further broken down into three categories such as past work experience, professional training or nationality, as either one of these could have had an influence during translation of the national policy. Four of the interviewees (MA1, MA3, MA4 and MA6) stated that their past work experience gained overseas does influence the policy.

*Interviewer: So did you try to bring that US working style here?*

**MA4: “Of course I do, because I will try to apply what I have learned to my job, and I think the most important factor that I can bring over is the hospitality.” (2015)**

In the case of MA4, who completed an education and worked in the US hospitality sector before returning to Macau, the respondent tried to implement the western working style in their organisation (H4). MA2’s background and experience in law, as shown in Table 5.7, would find their training useful in this circumstance. MA2’s understanding of the legal system and

knowledge of Portuguese (given Macau's labour laws are written in Portuguese) is also likely to influence their translation of the national policy for the organisation's HR practices.

In question 4, the interviewees pointed out that besides values being incorporated into the policy, training and past work experience of the HR managers could likely also have a role in the whole translation processes. From an employee point of view, this indicates an approach to a HRM that is more human relations-focused, and could mean a willingness by the HR manager to look at formulation of the HR practices from a 'bottom-up' approach, given the intense competition from the other hospitality properties within Macau. Nationality is one factor that was not considered as an issue by any of the respondents in question 4, as MA2 shows below.

**MA2: "But I would say from a cultural point of view, we like to treat everybody—we want to respect the difference but we want to treat everybody in the same way; the same dignity, the same opportunities. We make a huge effort and we try to make sure that we don't discriminate anybody on gender, nationality, political beliefs. For us, we are a very open company. Equal opportunities—we try to make sure that people enjoy and are passionate about their job and we as Human Resources." (MA2, 2015)**

Owing to a diverse working population in Macau, most of the organisations like IR2 provide equal employment opportunities for staff, but due to certain institutional regulations, they have to abide by the national policy of employing local residents to fill certain vacancies and considering locals first for promotion.

## **5.5 Strategic reframing**

According to Boxenbun (2006), strategic reframing refers to the strategic considerations in terms of resource mobilisation, implementation and the spread of managerial practice within an organisation. HR managers/directors, who are one of the key players during the translation of policy, need to consider focusing on either financial or employee performance for its implementation. Later in the chapter, the shift to a human relations focus within the organisations can be seen in the strategic reframing.

### 5.5.1 Challenges of policy translation

Macau's labour policy tends to place its emphasis on employing local residents for certain designated positions within the hospitality industry, and given the small working resident population of Macau, the SAR government has constantly come under criticism from pro-labour lawmakers. The researcher notes that some lawmakers are closely affiliated with social groups and trade unions, in exchange for the support that was shown to them in their bid for a seat in the Legislative Assembly (Barbosa, 2016). Scrutiny by lawmakers resulted in amendment of the labour law, which further resulted in the regulation of work permits for foreign workers coming into Macau, in 2009 (Cortes & Valente, 2014). Changes to the labour law and policies were felt by the organisations with a quota imposed on the number of foreign employees that can be employed. For the question: what are the challenges in translation of national employment policies into the HR practice of your organisation?—all interviewees unanimously agreed that there were challenges in translating national employment policies, while 83.3 per cent of them mentioned labour quota as the challenges faced.

Five of the interviewees (MA1, MA2, MA3, MA4 and MA6), pointed out that the small local working population has become a bane for the hospitality industry, as all IR&H are targeting the same pool of local residents to fill certain positions as mandated by the Macau SAR Government's law policies. In the interview with MA3 and MA4, both interviewees pointed out that the non-local labour quota and the small pool of labour are some of the challenges facing their organisation, which can be seen as a form of institutional challenge resulting from the labour policy.

**MA4: “What we can do is when a problem comes (regarding) staff, like such as the non-local labour quota—these kind of things, we don't have choice. We cannot plan, right, you never know whether your quota will be cut or not, so once it is cut you have to look for methods to resolve it.” (M4, 2015)**

The above statement from MA4 indicates the challenge faced by the organisation (H4) because of the uncertainty of the government's quota, which is based on the actual demand of the labour market (Leong, 2015). This demand for labour tends to change either on a quarterly or yearly basis (Region, 2016). It causes the non-resident workers quota to fluctuate, and thereby increased the challenges for participant MA4 when translating the national policy into HR practices. An identical challenge was noticed in a separate interview with respondents MA3

and MA5. MA3 pointed out that owing to the small working population in Macau, getting the local residents to take up roles (housekeeping and cleaner) in the hotel was a challenge, as the locals would prefer to take up a job in the gaming sector due to the difference in salary.

**MA3: “Of course, we would all like to hire locals, but Macau is such a small place, we don’t have that many working population here, not enough because like when a new hotel coming up they already have thousands of staff everywhere. So then we, no matter what, each of us will lose some staff to the new operation and then we are just competing for people among this group, for the same batch. Of course, we do have a lot of foreign labours; that is why we have to hire foreign labours to supplement, to be a supplement to them.” (MA3, 2015)**

The interview from MA3 above shows how organisation H3 is influenced by the small working population and the opening of the mega properties in Cotai. The hotels in Macau city encounters their local staff leaving for ‘greener pastures’ in the form of Integrated Resort.

**MA5: “But they have labour quota but of course they need to have certain amount of Macau labour before they can employ how many imported labour. It is a ratio.” (MA5, 2015)**

Once again, the challenge of maintaining the ratio of local employees in the organisations was pointed out in a separate interview by interviewee MA5. Institutional quota by the SAR government may have caused a change in the HR focus, thereby enabling the HR managers/directors to influence the translation of the national employment law in view of the competition for local employees and the constant tightening of foreign labour numbers due to scrutiny of the pro-labour group lawmakers. Organisations involved in the interview, especially that that comprise hotel operations, have another different set of challenges due to the turnover of local staff.

**MA3: “And of course the major part will be the quotas that help to supplement the operations. Like right now in Macau, I would say no locals like to be wait staff. None of them would like to be a cleaner, or some kitchen trainee—that is quite disastrous I would say in these areas because when the staff will think that, well, if I have to work in a hotel as a waitress, I would rather go to the gaming industry because they pay a higher pay.” (MA3, 2015)**

The need to replace departed local staff for IR3 resulted in the organisation IR3 trying to recruit new staff from the same pool of the working population that, according to the interviewee, every organisation in Macau is going after. To reduce the effect of labour shortage, organisations increased their dependency on non-resident workers, which resulted in the SAR government imposing a quota on the numbers that can work in Macau.

**MA3: “There are people that don’t like to work on shifts; I like fixed hours. Then they won’t join the hotel because they would rather work in another industry. Then for those who don’t mind to work on shifts, they will think to work in a hotel I will also have to work on shifts. Working in a casino I also have to work on shifts, then why don’t I go to the gaming industry where I get a higher pay? So we are stuck in the middle on this somehow.” (MA3, 2015)**

Besides the challenge of the non-resident workers quota, interviewee MA3 highlighted during the interview that organisation IR3 not only had to contend with the quota, but also with the mindset of the current and potential workers who tend to join the better-paying properties (integrated resorts with gaming floors). In the interview, MA2, from the integrated resort (IR2), talked about the quota system in Macau and its classification into the non-skilled and skilled category, which is a similar challenge faced by 83.3 per cent of the interviewees. However, towards the end of the interview, MA2 mentioned another challenge which was not brought up by the other interviewees.

**MA2: “So there is some impacts in terms of, as I mentioned to you before, I want to promote a person that is non-local... yes, there is an impact there.” (MA2, 2015)**

In 2015, the Macau SAR Government urged the IR&H to promote more local-resident workers (Asia, 2015). According to interviewee MA2, promoting a non-local could be harder because the organisation would have to give priority to a local resident worker first. The request by the SAR government is specifically for the IR&H, which relates to IR1, IR2 and H4 owing to the casino floor that is within their organisation.

These challenges influenced the shift to more human relations-focused HR practices as seen in the earlier part of the chapter. The shift indicates that the organisations were trying to project themselves as a people-oriented workplace in order to compete for the small pool of the working population (local residents) in Macau.



### 5.5.2 Vision, values and formulation of HR practices

HR has evolved over the century from welfare and administration in the 1900s, to welfare, administration, staffing and training in the 1940s and, subsequently, to HRM and strategic HRM in the 1970s (Brewster, Houldsworth, Sparrow & Vernon, 2016). HR practices/policy are guides to action in organisations. The practices reflect management philosophies, principles, vision and strategies, and form a bridge between strategies and operations. According to Bratton and Gold (2012), intangible (values and vision) investment into HR practices by an organisation can either directly or indirectly affect an organisation's performance (Yang & Lin, 2009). During the interview, it was indicated by interviewees (six of them) that the organisation's vision and values were used in the formulation of the HR practices, which were designed to align employees' values and attitudes with the organisation's values and vision (Daley, 2012).

From the values found on the website of IR1, shown in Figure 5.1, the organisation not only strives to deliver exceptional customer experiences, but also to show respect to anyone who comes in contact with the organisation, including employees. The value of teamwork is paramount to the success of IR1, as can be seen in the values listed in the table.

**Figure 5.1: Values of organisation (IR1)**

<ul style="list-style-type: none"><li>• We anticipate customer needs and take pride in delivering exceptional experience at every moment</li></ul>
<ul style="list-style-type: none"><li>• We act with deep personal respect for every individual that connects with the organisation</li></ul>
<ul style="list-style-type: none"><li>• We do our best, always</li></ul>
<ul style="list-style-type: none"><li>• We are prudent, efficient, and act with integrity and a sense of urgency</li></ul>
<ul style="list-style-type: none"><li>• Teamwork is paramount to our success</li></ul>

Source: IR1 (2016)

During the course of the interview, MA1 reiterated the values of IR1 outlined in Figure 5.1

**MA1: “The HR, yeah, and therefore every day, every day we have every selection decision we make on people being promoted in the leadership positions; so respect, honesty, integrity, transparency, prudent decision-making, you know, these are all virtues you see in the values; that is, doing your best always, prudent decision-making, respect, honesty obviously, and transparency is another one.” (MA1, 2015)**

Core values such as respect, honesty and prudence are found in the day-to-day operations within the organisation IR1 (D. Ng, personal communication, July 20, 2015; MA1, 2015). A group of researchers from the Chinese Culture Connection devised a Chinese value survey factor to evaluate cultural ideas derived from the teaching of Confucius (Li, Li & Hudson, 2013). Table 5.8 has been adapted from the Chinese Value Survey Factor by Li, Li and Hudson (2013) and Matthews (2000), and shows that some of the values were mentioned in earlier questions (individual preference) and seen again in the organisational values.

**Table 5.8: Chinese value survey factor**

<b>Chinese Value Survey Factor</b>
INTEGRITY AND TOLERANCE
Development of self
Patience
Sincerity
Persistence (perseverance)
Harmony with others
Kindness (forgiveness, compassion)

Trustworthiness
Courtesy
Knowledge (education)
Personal steadiness and stability
Adaptability
Self-cultivation
Industrious- hardworking
Tolerance of others
Filial piety
Sense of righteousness
Humbleness
Prudence (carefulness)

Table 5.8 reflects the influence Confucianism has on the values of organisations such as IR1, which is considered a Chinese organisation due to its Hong Kong owners. Prudence is one of the core values of IR1 and, according to MA1, this value influenced all the HR practices within the organisation. Besides IR1, other organisations (IR2, IR3, H4 and H6) indicated that some of the values were formulated into their HR practices.

**MA1: “So prudence is the word in the values that is very strong, so that affects us every day in all our HR policies. Very much made us, I have been working in this industry for over 30 years and this is the only company that has been so strong that I have worked in, in making sure all the values are represented in the HR.” (MA1, 2015)**

Based on the interview transcript with respondent MA1, there are indications (based on questions 1, 2, 3 and 4) that MA1 integrated some Asian values due to exposure while working for a Japanese organisation in Australia (Nissan), therefore making it easy for MA1 to adapt to the values of IR1 and ensuring that the values are reflected in the HR practices.

**MA4: “I think that’s how we, our values and visions are. And we of course put this into action, and into our HR policies to have different things.” (MA4, 2015)**

Other organisations such as IR3 and H4 were shown through the interview that they incorporated the values relating to development of self and self-cultivation into HR practices. The interview statement by MA4 reinforced that the majority of organisations interviewed formulated their values into their HR practices.

### **5.5.3 Financial versus employee performance (impact on training and retention)**

Business has grown more complicated today than it was about 20 years ago. Increases in the provision of services by organisations have raised the importance of HR (Robbins & Judge, 2013; Cooper et al., 2008). Some of the IR&H reviewed in Macau have moved from the more traditional focus of financial performance to a moderate mix of balance between financial and employee performance. Employees in the modern organisation have shifted from being just an employee to one whose views and suggestions are taken into consideration during HR policy planning, as the IR&H are increasingly treating their employees as the unique competitive advantage (Burk, 2008, p. i) over other properties in Macau in view of the labour constraint.

Organisations have developed more complex structures to respond to the need for speed, global operations and higher value-added activities. These include flexible job descriptions, global teams, virtual teams and becoming less bureaucratic. People and organisational culture represent a unique competitive advantage for the IR&H in Macau (Fahy, 2004; Ulrich & Brockbank, 2005). To succeed in the current business environment organisations (regardless of their size) need to treat people (employees) right. Organisations need to motivate and satisfy their workforce, such that the workforce helps make the organisation effective and peak-

performing (Bruke, Cooper et al. 2008, p. 21). For this to be achieved, organisations need high-performing people to be successful. Organisations need to be successful to create the conditions that will motivate and satisfy their employees (Bruke, Cooper et al. 2008, p. 21). Treating people right, or emphasis on employee performance, produces long-term gains for both organisation and employees (Lawler, 2003, p. 21). During the interview, MA1 talked about financial results being strongly determined by taking care of the resources and assets (people) deployed (D. Ng, personal communication, July 20, 2015). According to Bruke and Cooper (2008), people (employees) are now the source of competitive advantage and organisations must acknowledge the contribution that employees play. Organisations with a financial focus tend to overlook employees as an asset, and instead deem them expendable resources.

To achieve a committed workforce, an organisation needs to maintain a balance between organisational and employee performance (Bruke, Cooper et al. 2008). The organisations in this research strongly believed in each employee and engaged its employees emotionally and rationally, with the HR practices within the six organisations showing similarities to what was discussed by Bruke (2008).

Interviews with the six participants in IR&H in Macau revealed that 16.7 per cent of respondents indicated a mixed-method approach towards organisational and employee performance, while 66.6 per cent of respondents placed greater emphasis on employee performance, as that was one of the important factors contributing to organisational profitability. The final 16.7 per cent of respondents acknowledged that due to the uncertainty of the current economic environment in Macau, the organisation (H6) is reducing their costs by cutting back on staff benefits which, according to MA6, is a delicate operation given that employee morale could be affected and performance could suffer. In the other separate interviews, some organisations exhibited a willingness to embrace the HR policy of employee performance (treating employees right) or a policy that is a hybrid between financial and employee performance. The hybrid policy requires excellent balancing from HR managers, as too much of either could impact the organisation in terms of cost.

Table 5.9 provides an outline of the organisations' HR policy and shows that the majority of HR managers (MA1, MA3, MA4 and MA5) leaned towards an employee-oriented policy. The institutional policy on resident employment within the gaming and hospitality sector in Macau encouraged the organisations to focus on the retention of their local talent. The lack of residents

was further intensified by the strict quota for foreign workers. This created a small labour pool for the gaming and hospitality sector, in which employees (both resident and foreign) became subjects of tussle by the organisations. Most of the HR managers interviewed therefore indicated a preference for the people performance policy because it enabled them to attract and retain their human capital in the tight market.

**Table 5.9: Financial, people and hybrid performance preference of HR managers (Macau)**

Interviewee	Organisation	Financial Performance Policy (FP), People Performance Policy (PP) or Hybrid Method Policy (HM)
MA1	IR1	People Performance Policy
MA2	IR2	Hybrid Method Policy
MA3	IR3	People Performance Policy
MA4	H4	People Performance Policy
MA5	H5	People Performance Policy
MA6	H6	Financial Performance Policy

Interviewee MA2 talked about the relationship between financial and people performance.

**MA2: “So when you ask me here, your question is: “Where do we put the emphasis? Is it on the financial performance or on the employee performance?” Well, the reality is that they are both linked. One does not live without the other. So what we try to do is to make sure that both relate.” (MA2, 2015)**

Organisation IR2’s emphasis was on the hybrid method, while H6 was looking to reduce its costs, which translates to a financial performance policy, according to interviewee MA6.

**MA6: “A full example now, the overall hotel industry is suffering from the big market situation, right. So all the hotels are not doing good compared with past years. So every single department was asked to try to cut costs, which is very understandable, and as HR we have to look into the means of what we can do. And for HR department to cut cost, very often it is related to staff benefits, so it is very possible we have to look at the bigger financial picture.” (MA6, 2016)**

Close examination of the interview data seems to indicate that IR2 and H6 had a slight commonality in terms of financial performance. The statement from interviewee MA2 suggested a focus on maintaining the equilibrium between financial and people performance, which is the main strategy of the hybrid method, having the best of both worlds and yet not overly leaning to either one side.

**MA6: “Then we have to try to balance what kind of benefits are relatively less important and we can take off, and what are the important things we have to make sure we [retain] to make sure that the staff are still happily working here.” (MA6, 2016)**

H6 exercised the same caution by taking off certain, relatively less important benefits to focus on the organisation’s financial performance. The findings from the interview indicated a pattern among the six properties in Macau: the ‘local’ properties were shown to maintain more of a people-focused outlook in their HR practices, while the ‘international chain’ properties came across as either hybrid or financially focused. The people-focused HR practices within the organisations shown in Table 5.9 suggest that four of the properties were people performance-focused, having either Chinese ownership (local or overseas) or an international brand, having being in Macau for 22 years since 1993. The long period of exposure to the local national culture, according to Shen, Chanda, D’netto and Monga (2009), could have transformed the organisation’s values and focus to one that was more Confucian-focused, such as benevolence to their staff. Macau’s external political factor had an immediate impact on HR policy, especially on the labour quota, which can have a profound influence on the focus (financial/people) an organisation undertakes to survive the nation’s competitive environment. A constant review of HR policy by the respective managers could help keep the organisation ahead of its competitors.

#### **5.5.4 Employment regulations and HR review**

According to Brewster, Houldsworth, Sparrow and Vernon (2016), HR policies are considered guidelines to action in organisations. They reflect management philosophies, principles and strategies, and form a bridge between strategies and operations. Policies are usually developed to carry out the chosen HR strategies that reflect cultural and structural realities (Brewster, Houldsworth, Sparrow & Vernon, 2016). The policies formulated by the organisations in Macau can be prevented from implementation by external pressures (legislation, economic, political and social factors) or may assist structural change. In a 'Harvard' model, HRM falls into four broad categories: (1) employee influence and involvement; (2) HR flow; (3) reward systems; and (4) works systems (Bondarouk & Brewster, 2016). The model emphasises the effective utilisation of employees for the organisation to achieve its objectives, hence the whole 'resource' of the employee should be tapped (views and thoughts) to achieve this goal (Brewster, Houldsworth, Sparrow & Vernon, 2016). The dynamics of Macau's political environment and labour legislation have pushed the IR&H to adopt a HR approach with a human 'feel' to it, incorporating the views of their employees into the policy. Organisations such as IR3 go to the extent of having activities and surveys to identify what staff want to improve their policies. with the other contributing factor being labour legislation.

With labour regulations constantly under scrutiny by pro-business groups, the resultant pressure on the Macau SAR Government forced an amendment on the labour regulation. IR&H in Macau need to keep abreast of changes and developments in labour law, which could lead an organisation to conduct a HR policy review so as to be seen by the government to support the national policy. In the interview with the various participants, it was revealed that the HR policy within 66.7 per cent of organisations was not often reviewed, contrary to popular HR practices whereby policy is reviewed regularly. According to the interviewees, policy is reviewed when there are changes to the employment regulations. The frequency of reviews varies, as shown in Table 5.10.



**Table 5.10: Policy review (frequency)**

<b>Participant</b>	<b>Organisation</b>	<b>Reviewing the HR policy</b>	<b>Frequency of review</b>	<b>A person or group to do the review</b>
MA1	IR1	Yes	As often as needed	Policy group <b>(in-house)</b>
MA2	IR2	Yes	Not that often	A person (with law background) <b>in-house</b>
MA3	IR3	Yes	Reviewed every two years	No specific person or group. HR Director will monitor <b>(in-house)</b>
MA4	H4	Yes	Reviewed when there is a change in labour law	Policy group <b>(in-house)</b>
MA5	H5	Yes	Reviewed when there is a change in labour law	Policy group <b>(in-house)</b>
MA6	H6	Yes	Once a year	Policy group <b>(in-house)</b>

Of the six participants, MA1 and MA6 indicated that the HR policy within the organisations was placed under review by the HR department either once every year or as often as required, which is what MA1 mentioned during the interview. From Table 5.10, the majority of interviewees indicated that the policy review person or group is usually done in-house, meaning there is either a dedicated person or team that reviews the HR policy due to changes or amendments in the national employment law. During the interview, MA2 pointed out that IR2 had an in-house person with a law background to go through the HR policy when required.

**MA2: “We do have a person here in my team that, like me, her background was a lawyer, and what she does is exactly [to] go review all the policies, make sure we are compliance, and talk with the departments.” ( MA2, 2015)**

A policy review is hardly a single departmental task due to the intricate relationships of the various departments within the organisation. Any changes occurring on the national level dictated by the SAR government will see the HR policy undergo a review by the HR specialist and relevant departments, before implementation takes place. According to Rowley (2010), one of the key aspects of HRM is the state and its role in labour, and this is reflected in this research. The role of the state—in this instance, the Macau SAR Government—is responsible for amendments to labour law, and from past records 2002 and 2011 there have been occasions when the SAR government was pressured by senators in the social and political arena, according to an unnamed source within the academic sector in Macau, (D. Ng, personal communication, July 20, 2015), resulted in the Macau SAR government crumbling to the pressure and enforcing changes to the labour policy.

With the SAR government playing an active role in the labour regulation of the IR&H sector, the interviewees discussed the quota system introduced by the government in the last amendment, which restricted organisations in the number of foreign workers they can employ for certain vacancies. The strong stance taken by the SAR government on labour ensures organisations (IR&H) adhere to any amendments.

### **5.5.5 Brand name and national policy**

According to Kornberger (2010), brands play a role in how an organisation’s identity is managed, and this includes how culture and innovation within the organisation is organised. Simultaneously, brands transform the politics, ethics and aesthetics of consumption (Kornberger, 2010). As a brand name grows with the help of consumers who adopt the brands into meaningful (life)styles, some brands have become major global brand names that resonate with the global population. These brand names (IR1, IR2, IR3, H4, H5 & H6) not only provide a service to their customers, but also, in the eyes of the public in Macau, they (IR&H ) are looked on as the main driver of Macau’s economy. A more relaxed visa ruling on Macau’s biggest inbound visitors, China, saw an increase of 11.83 per cent (Jan–Dec 2008) year on year (2007 and 2008), with 30,185,740 visitors (Government of Macao SAR Statistics and Census Services, 20008). The increase in visitors also saw an increase in the number of people

employed by these organisations (in the hospitality industry), which reached 40,800 in 2008 (Government of Macao SAR Statistics and Census Services, 2015) and subsequently rose to 55,000 in 2015 (Government of Macao SAR Statistics and Census Services, 2015).

Ending the casino monopoly in 2002 not only liberated the gaming sector, but also saw an increase in inward foreign direct investment (FDI) into Macau's hospitality industry. From 2001 to 2008, Macau attracted US\$11 billion in inward FDI (Scott & Lam, 2011), with the total amount of FDI hitting MOP\$24.67 billion alone in 2008—the equivalent of US\$3.013 billion (Macao Trade and Investment Promotion Institute, 2016). The investment saw organisations such as Sands, Wynn Resorts, MGM, Galaxy Entertainment Group and Melco Crown Entertainment entering the gaming/hospitality industry in Macau. Five-star hotels such as Marriot, Sheraton, Hyatt, Four Seasons and St Regis established a presence in Macau by collaborating with these gaming organisations, which saw a decrease in the unemployment rate but created a new set of problems for the Macau SAR Government. Given Macau's small population, this translated into an equally small working population, which is insufficient to satisfy the mega operations of IR&H. The alternate solution to addressing the labour shortage was to allow entry of foreign workers for specific job vacancies within the IR&H industry. This resulted in scrutiny of the SAR government by the social and labour associations opposed to the unrestricted influx of foreign labour. The pressure exerted on the government ensured the major hospitality and gaming organisations abided by the labour law (Barbosa, 2016) in employing local residents to vacant positions. With major gaming and hospitality operators constantly in the 'spotlight', watched by legislators/senators, organisations have become attuned to the social and political environment in which they operate. Within such an environment, labour regulations that pass through the Legislative Council are enforced by the Human Resources Bureau, and employers have to submit their applications for non-residential workers, which are then subjected to case-by-case approval by the bureau. The application process enables the Macau SAR Government to keep a record of the number of foreign employees within these organisations. Such a process serves to remind the IR&H that institutional regulation on the labour quota is of utmost importance to the SAR government.

The responses from all interviewees indicated that the organisations are 100 per cent compliant with the labour law passed by the SAR government. According to MA2 and MA4, regardless of an organisation's brand name or reputation, there is no room for these establishments to go

around any of the labour regulations, and given the size of their operations, these organisations are under scrutiny by the social groups as well as their internal staff. The interview with MA6 revealed that their organisation did have corporate policies that are not in accordance with the national policy. During implementation, the HR manager in H6 would request employees to follow the policy introduced, but HR would not enforce it in line with the national policy. H6 runs the risk of having its staff complain to the Labour Affairs Bureau over policies that are not compliant with the labour law of the Macau SAR Government.

**MA6: “We do have our own corporate policies that are not in line with the national policies, but what we do is we try to implement our corporate policies; however, we can only strongly request our employees to follow. But in the end, we cannot take too seriously because if it is not in line with the national policy, the staff can go to sue you in the Labour Bureau, and it is a very bad ending. So we can only say we try to request the staff to follow the corporate policy, but we cannot take it 100 per cent serious[ly].” (MA6, 2016)**

Should a complaint on non-compliance reach the Labour Affairs Bureau, the SAR government assesses it, given the importance of the IR&H sector to the economy. Industry players understand the scrutiny they come under, and therefore ensure they enforce and implement changes made by the SAR government, to ensure they are seen as leading by example.

### **5.5.6 Training and upgrading**

According to Lei and Chong (n.d), hotels who do not carry out training and development strategically have suffered from severe employee turnover. The hotel industry generally is a labour-intensive industry (Ball, Keith & Slattery, 1986; Yu & Lee, 2009; Lei & Chong, n.d), with labour expenses accounting for 40 per cent of all hotel operating costs (Amankwah-Amoah, Ifere & Nyuur, 2016). Excessive employee turnover is costly for an organisation and dampens employee morale, affecting the service quality for hotel guests (Jehanzeb, Rasheed & Rasheed, 2013; p, 217; Lei & Chong, n.d).

Unwanted turnover drains valuable resources and often generates inefficient operations (Armstrong & Taylor, 2014), Heavey, Holwerda and Hausknecht (2013) indicate that the most obvious consequences of staff turnover are the energy and expenses spent on finding the right replacement. One of the reasons an employee changes job could be a lack of opportunities for advancement and training (Hausknecht & Holwerda, 2013). Given the highly competitive hospitality environment in Macau, HR is crucial to gaining an advantage on competitors by

developing employee opportunities for advancement and training as well as contribute to a firm's core competence (Beardwell & Thompson, 2014).

The tight labour environment in Macau, owing to its small working population of 644,900 (Statistics and Census, 2017a) and stringent government restrictions, has caused a scarcity in the labour force, which has been compounded by a shortage of quality workers. Competition for skilled talent has seen various organisations shift to a more human relations type of HR or employee-focused internal marketing. According to Leong & Lam (2016), internal marketing is considered as attracting, developing, motivating and retaining qualified employees through jobs that satisfy their needs. During the interview with HR executives of the organisations (IR1, IR2, IR3, H4, H5 and H6), job rotation within the various departments was mentioned as a method to keep staff motivated, to retain employees. In order for the organisation to have a competitive advantage in such an environment, HR is crucial for its organisation's long-term success in Macau (Leong & Lam 2016). The rapid expansion of the hospitality/gaming industry in Macau in 2004 caused severe strain on the local workforce, such that organisations had to look for alternatives to maintain or expand their operations. This saw an increase in the number of non-resident workers. Table 5.11 shows the gradual increase of non-resident workers since 2002, with numbers hitting a high of 92,161 non-resident workers in 2008 before they dropped in 2009. The numbers went up again in 2011 and have gradually increase year on year.

**Table 5.11: Number of non-resident workers at year end**

Year	2002	2003	2004	2005	2006	2007	2008
Total	23,460	24,970	27,736	39,411	64,673	85,207	92,161

Year	2009	2010	2011	2012	2013	2014	2015
Total	74,905	75,813	94,028	110,552	137,838	170,346	181,646

Source: Macau Labour Affairs Bureau (2016)

The drop in the number of non-resident workers was due to the visa restrictions imposed by Beijing to stem the outflow of funds into Macau. Fewer visitors translated into the numbers of 2009 and 2010 where non-resident workers were either released from their jobs or their contracts not extended. 2011 saw an 80.6 per cent increase in the number of non-resident workers employed in Macau due to easing of the visa restriction by Beijing and the opening of new properties in Cotai—which resulted in a tightened job market, with the local resident workforce in 2011 at 258,600. The limited resident workforce made it difficult to attract talent, resulting in wage increases and inflationary trends (Leong & Lam 2016). Compounding the small resident workforce was the stringent quota system for non-resident workers and a lack of experienced HR and forward-thinking management personnel due to the casino monopoly until 2003 (Leong & Lam 2016). This lack of experience and knowledge pushed various operators to look elsewhere in a bid to attract quality HR/management personnel.

All six interviewees (HR executives) for this research came from a non-HR background. In Table 5.1, 83.3 per cent of the participants were trained/educated overseas in their home country, leaving 16.7 per cent trained locally in Macau. HR executives MA1 (Australian trained in HR), MA2 (Portuguese trained in law) and MA6 (Chinese trained in management) were expatriates with the necessary experience and knowledge. The experience and training brought by the overseas-trained HR executives contributed to the ‘humanisation’ of the HR practices within these organisations. This shift was necessary due to the competition among

the properties (integrated resorts and hotels) for the limited talent. Retention of staff within the organisation became an important task for the HR executives; one participant talked about having an annual employee survey to find out the concerns of employees.

**MA6: “We actually try to do about once a year because we have ACCOR organise annual employee engagement survey. We do have a yearly engagement survey and we have a detailed report provided by a third-party company. So we can see where is our priorities, where are the concerns of the employees, and based on that we need to come out [with] an action plan. And that is the best opportunity for us to review the work we need to adjust.” (MA6, 2016)**

In a separate interview with HR executive MA2, it was stressed that external training programs were supported and sponsored by the organisation, as it is within the organisation’s directive to upgrade the skills and knowledge of their employees. An in-house education centre was set up for staff training and development, with programs offered categorised as either voluntary or mandatory for employees to complete the particular course or training. The organisation would, according to MA2, send the employee on training during office hours, but not if the training was something the employee wanted to learn that would not impact on career progression.

All six HR executives were unanimous about the requirement for their employees to undergo basic training in order to equip them with knowledge of the job.

**MA1: “Depending on the role in the department, every leader in the organisation has a specific on-boarding and training journey and on-boarding journey for that executive, including completing the leadership programs that are dealt internally, but with partners external, those people have to complete those programs. So we have entry-level programs for supervisors, we have entry level programs for managers, we have a management skills program for the middle managers, we have leadership programs 1, 2 and 3 for the members of management, we have technical programs for each occupation, both internal and external. So we have every kind of training program you can imagine that is specifically geared to both the technical or behavioural, cultural and policy aspects of our company.” (MA1, 2015)**

In organisation H6, employees were given a training booklet, in which the training is recorded. The training is transferable between different properties within the same organisation, much

like ‘advance standing’ and recognised by all global subsidiaries. Having such a policy suggests the organisation will have an edge over its competitors in terms of talent management and retention. Cross-training was also encouraged by all interviewees. This form of training enabled the organisation to deploy staff to other areas that are in need of manpower, and thereby alleviate the reliance on the SAR government’s quota system. The focus on training and development within Macau’s IR&H can be seen as one of the pillars within the organisations in the battle for scarce talent, especially when certain positions within the organisations are reserved for local residents. The limited number of resident workers has seen high turnover among local staff, as organisations vie among themselves for the small pool of core employees. The shift by the organisations to a more humane HRM, with the focus on training and retention to empower employees and provide greater job satisfaction, was in line with Macau’s labour situation.

The focus on local-resident employment by the Macau SAR Government has influenced the way the organisations operate, and using ‘people’ as the competitive advantage does often enable the organisations to successfully out-manoeuvre and out-perform their competitors (Pfeffer, 2005).

### **5.5.7 Employment policy, local residents and impact**

The small land area of both Macau and Singapore is proportional to the resident labour force. Macau’s land area of 29.5 km<sup>2</sup> comprises a resident labour force of 278, 800, while the non-resident workforce is 181,600 (Government of Macao SAR Statistics and Census Services, 2016). The non-resident workforce increased by 11,300 within a one-year period (2014-2015). This increase was due to the opening of new hotels such as the four- star property Studio City and the potential opening of two other properties—all within the Cotai area. These developments opened to the public in 2017 and the remaining properties to open in 2018. The opening of these IR&H will no doubt have an impact on the limited resident labour force. With the labour/social groups constantly scrutinising the SAR government’s labour policy, any changes in the current quota system would need to obtain the approval of the Legislative Council, and with the current economy in the doldrums due to the anti-graft going on in Mainland China it is going to be difficult. The last major amendment to the labour policy was in 2009, which saw changes to areas such as overtime work, nightshift work, work by shifts and leave (Macau HR, 2009).



Macau's labour policy can be categorised in two stages, pre-2002, which saw the gaming and hospitality sector dominated by Sociedade de Jogos de Macau SA (SJM) and labour policy regulated by the Decree law for 20 years. After the handover to China in 1999, the Macau SAR Government was established to run the affairs of the city. The gaming industry in Macau opened to foreign investment in 2002. This is the second stage, post-2002 and this saw further development within the gaming sector. Which gave Macau its first integrated resort in 2008. Increased foreign investment saw an increase in the demand for labour, which caused a strain on the small working population of Macau. To resolve the issue of labour shortage, the Macau SAR Government allowed the importation of foreign workers. The number of foreign workers entering Macau since 2008 caught the attention of the social/labour groups, which pressured the SAR government into implementing policies which favoured local residents, as certain vacancies are only reserved for the citizens (Macau Daily Times, 2015). Since the end of the gaming monopoly in 2002, the total number of non-resident workers has constantly been on the rise, as shown in Table 5.11. 2008 saw a jump in the number of imported non-resident workers to 92,161 compared year on year (2007) to an increase of 7.5 per cent. Changes to the greater labour environment drew response from the SAR government. A review of the existing labour law was held and resulted in the introduction of a new labour law, which came into effect on 1 January 2009 (Macau HR, 2009).

The constantly growing number of imported labour throughout the years has given the local labour union cause to worry, especially with jobs going to the foreign contingent and depressed pay for local residents. Lawmakers such as Lei Cheng I and Au Kam San argue that the HR office of the SAR government is not managing the non-resident labour program to the best of its abilities and should not be importing foreign labour on a large scale (Macau HR, 2009). Pressure from various lawmakers affiliated with the social and labour groups caused the SAR government to introduce a quota system on the imported labour to protect the local resident workforce. Positions within the gaming and hospitality industry were reserved for the resident workforce as stipulated by the SAR government in its labour policy (Scott, Lam et al., 2011). Demand for local residents soared due to the protections set in place by the government for jobseeking locals. Organisations with a large requirement for labour would have to satisfy the quota of employing a certain number of residents before being allowed to employ foreign labour. Local resident employees might not necessarily be qualified for a position, and in some cases, employees do not have to do any work. These are considered 'token employees', who

are employed just so that the organisation will meet the quota to then legally recruit foreign workers (Chan, 2013). This was echoed by HR executive MA5 during the interview.

**MA5: “But they have labour quota, but of course they need to have certain amount of Macau labour before they can employ how many imported labour. It is a ratio.” (MA5, 2015)**

A small population coupled with a low unemployment rate is not ideal for Macau’s economy because the result is a shortage of labour for mega organisations (IR&H). Higher remuneration and better working conditions were offered to the resident workforce in an attempt to retain them (Scott, Lam et al, 2011; Chan, 2013). The interview with all six HR executives indicated that all organisations (participated in the interview) had some form of retention and training program for employees to keep the local talent within, and competition for the local workforce contributed to the shift in HR practices in Macau.

Interviews conducted with HR executives indicated that the HR policy of all six organisations encompassed some form of priority for the local resident workforce. Table 5.12 outlines a simplified view of what these priorities are for each organisation.

**Table 5.12: Retention schemes for local resident workforce**

<b>Organisation</b>	<b>Priority Given to Local Resident Workforce</b>
IR1	Sponsor employees for further training (internal or external), internal secondment, internal promotion
IR2	Internal transfer, internal promotion, succession planning, sponsor internal and external courses
IR3	Internal transfer, sponsor employees for internal or external training, set up a team that allows employees to talk regarding their problems and offer solutions
H4	Working hours and work week (revised from 5 ½ days to 5 days), internal promotion and internal transfer
H5	Personal and working life (work-life balance)
H6	Cross-training, internal transfer, happy working environment

Source: Interview Data, 2015

The information provided in Table 5.12 shows that internal transfer, internal promotion and internal or external training are usually the priority given to the resident workforce in a bid to retain them and keep them engaged/empowered. Interviewee MA2 stated the following:

**MA2: “So we try to do that very focused, especially with local talent, for several reasons: when people are here, they are not going to say, “if I hire someone let’s say from Australia”, well the person might like to be here but I don’t know after three or four years; a lot of people who are not from Macau will say, “Hey, I’ve been already here three or four years, now I want to move on; my wife misses her mother; my husband misses his father,” or whatever, right. Or my kids would like to go to a different school, so they move on. So that gives us as a company a very narrow opportunity. So we are also very passionate as the government is in terms of developing local talent that brings stability.” (MA2, 2015)**

From MA2’s statement above, it can be seen that IR2 is supportive of the government’s policy on the resident workforce. The scrutiny by the government on the hospitality sector due to the ongoing pressure from the social and labour-affiliated lawmakers is ensuring that organisations play a supportive role within Macau’s society.

**MA2: “Actually, I cannot promote the people, I can only promote the people once I get the approval from the government. So it’s not as simple as when I have local people.” (MA2, 2015)**

The statement above evidences the control the SAR government has on the hospitality and gaming sector, which extends even to the internal promotion of local staff. One way to solve the crucial labour crunch might be to change the national education policy to include training the required workforce, much like the case in Singapore.

#### **5.5.8 National education policy: does it really affect HRM in Macau?**

The liberalisation of Macau’s gaming industry saw foreign brands and chain hotels enter the market. This caused the demand for labour to increase, which placed a strain on the small population. Labour was imported as a short-term measure to solve the labour crunch, and there was a need for the SAR government to reorient its education system. The government not only had to meet this labour issue for the long term, but also achieve the directions laid down by the Chinese government in Beijing to diversify the economy and increase the competitiveness of Macau (Scott & Lam, 2011, p. 176). In 2014, President Xi Jinping visited Macau and advised the SAR government to scale back its reliance on the gaming sector. This was echoed by the Chief Executive of Macau, Chui Sai On, who saw diversification as the key to future economic stability. The over-reliance on a single industry exposed Macau to some damaging economic

headwinds in 2009 and again in 2014; both incidents saw a drop in revenue for business, which was directly caused by policies of the central government in Beijing (Scott & Lam, 2011, p. 177; Fensom, 2015). In achieving both short- and long-term objectives, education is an important component of Macau's global competitiveness (Scott & Lam, 2011, p. 206). Most of the Asian cities such as Hong Kong, South Korea and Singapore have a workforce who is educated and capable of contributing to the growth of the industries; however, Macau's labour force is not well-educated and, compared with Hong Kong and Singapore, the educational attainment of the employed population in Macau is not high (Scott & Lam, 2011, p. 206). The percentage of the employed resident workforce with high school education is considered low by the standards of Hong Kong and Singapore. In Macau the figure for the resident workforce with high school education is 26.5 per cent, whereas in Hong Kong and Singapore it is 40 per cent and 37.7 per cent respectively (Scott & Lam, 2011, p. 206). Education is an important factor for Macau if it is to move forward and diversify its single-track economy. Only with high-quality professionals, well-trained managers and a highly skilled workforce can Macau respond flexibly and strategically to changing market conditions and enhance its competitiveness in the region (river delta), especially with the 'One Belt, One Road' trade initiative by the Chinese government.

Liberalisation of the gaming sector has resulted in the demand for a local resident workforce, which translates into more vacancies and higher remuneration. A high starting salary for local residents saw senior high school leavers join the sector instead of progressing into higher education (Scott & Lam, 2011, p. 207). Besides the lack of training and qualified workforce to take Macau's economy to the next step, most tertiary students chose to continue their tertiary education overseas and remain overseas after graduation, which contributed to the 'brain drain' situation in Macau (Scott & Lam, 2011, p. 207). The SAR government would need to increase the educational standard of English among students if Macau is to enhance its international image and competitiveness in the global environment. Currently, the Macau SAR Government still has no major program for improving the standards for teaching English in schools. The gaming sector's expansion has indirectly affected English education within schools, as English teachers are leaving, attracted by high-paying jobs in the gaming sector. The education system inherited by the SAR government post-1999 was one that contained elements of non-commitment in education matters (Scott & Lam, 2011, p. 195). Establishment of an education committee saw the administration take a more proactive role in policy and restructuring the education sector (Scott & Lam, 2011, p. 195). Macau had a diverse schooling system that saw

Chinese private schools, Catholic schools and government schools all running different curricula, hence the need to unify the education system with the enactment of Law 230/2007 (Scott & Lam, 2011, p. 199). Even with the reforms, the present education system in Macau is still shaped by its past school diversities, and autonomy remains a strong tradition in education governance (Scott & Lam, 2011, p. 205).

High salaries in the gaming sector coupled with the shortage of resident workers has seen casinos employ students, who are permanent residents, to work as part-timers or casuals, provided they are of the legal age (Chan, 2013). Having a local resident workforce puts the IR&H in line with the government policy of giving priority to local residents (Scott & Lam, 2011, p. 185). The diversities of the educational policy and lure of the gaming sector created a resident labour force that lacked a certain skill set, causing local staff to either miss internal promotions or move into a new role without relevant skills, which could adversely affect the service level.

According to HR executive MA1, the rate of change to the national education policy in Macau remains slow. Despite the SAR government acknowledging the need for gaming and hospitality talent due to the opening of the gaming sector, there were insufficient institutions producing the required talent.

**MA1: “I don’t think the national education policies have changed that rapidly.” (2015)**

Post-1999 saw the development of gaming and hospitality-related courses that were crucial to the industry. HR executive MA6 mentioned that more and more institutions have started introducing courses related to hospitality and gaming.

**MA6: “Indeed, I see that more and more universities in Macau have hospitality, hotel management and gambling majors. And there are also some new institutes established and they also have such majors. It definitely allows more options for the hotels in Macau.” (MA6, 2016)**

Besides having institutions as the primary training provider for the hospitality sector, the individual IR&G have set up their own in-house training programs for their employees in order to increase their skills and service standard. The slow progress of the national education policy has seen bigger organisations such as IR2 develop their own in-house education centre and a large training and development team. Such organisations would be less affected by the national educational policy, which is also dependent on the social and labour associations.

**MA2: “We even have our Education Centre. So if you go here to the shopping mall, we have this beautiful facility that has all the training classes. We have a theatre, we have a huge team in training and development, we do everything in terms of training.” (MA2, 2015)**

By having an education centre, IR2 is able to customise training for its employees, even though staff could be specialised in other areas of the organisation. This gives IR2 the flexibility to train staff in the areas that face a shortage, or in niche areas where training is not provided by the institutions. The organisations that were able to afford their own training program usually had strong financial resources, which also helps to differentiate them among competitors. Talent prefer to work in organisations that offer not only a good salary, but also training and facilities, and these are factors influencing their employment decision (Chan & Kuok, 2011).

Macau’s diverse educational system has resulted in the slowing down of the education policy which has seen the educational level of the local workforce drop. The drop has been exacerbated by the jobs reserved for local residents. In view of the tightening labour crunch, some organisations have started to look at how technology can play a part in the daily operations of the IR&H.

### **5.5.9 Technological and social changes**

The ‘revolving door’ culture of the hospitality industry is a phenomenon that is seen in many countries, and Macau is not exempted from it (Witts, 2015). The tight labour market has seen movement in the resident workforce sector, given the importance placed on the foreign labour quota system. The local resident workforce has tended to move to other jobs that offer more in terms of salary, benefits and better job prospects. HR executive MA1 reiterated this point in the interview.

**MA1: “... or don’t have the experience yet, they are not as adaptable in some respects, maybe not adaptable psychologically because they get impatient. It’s probably about patience more than anything. They get frustrated quickly, annoyed, and I think in Macau one of the issues we face is there is so much employment available that people don’t have to be patient. They can simply job hop anywhere they want to.” (MA1, 2015)**

The high turnover rate within the hospitality industry has had a detrimental effect on the organisations, as every employee who resigns is an added cost for the organisation, which has to employ a replacement who must undergo the necessary training. According to Matuson

(2013), employees who have announced that they are leaving the organisation have already begun transitioning out of their job and organisation. While working out their notice period, the full attention of the employee is no longer on the organisation, and their fellow colleagues have to pick up their ‘slack’, which prevents them from giving full attention to their own tasks (Matuson, 2013, p. 139). Costs associated with an employee leaving involves the time spent by the line manager and HR to conduct an exit interview. The money an organisation invests in the departing person’s training is subsequently a cost due to lost knowledge, skills and contacts when the employee leaves. Hiring new staff usually incurs a different set of costs due to advertising, job-posts and recruitment agencies (Matuson, 2013, p. 140).

With generation Z coming into the workforce, the phenomenon that is witnessing the high mobility of local staff in Macau was experienced by the various organisations. Young people are more willing to leave the organisation when a better job offer becomes available to them. Of the six organisations that participated in the interview; four indicated a willingness to try some form of technology in their training and operations. HR executive MA1 stated that organisation IR1 is trying to implement technology into the training and development program for employees.

**MA1: “Maybe technology can help with that, if we... for example, one of the policies in our practices here is, I’m trying to develop about e-learning capability much faster so we can put more control in the hands of the team member to learn.” (MA1, 2015)**

MA1 is not alone in harnessing technology for HR practices. Participant MA2 talked about using IT systems to aid their training programs, in an attempt to improve the retention rate.

**MA2: “We work around that with the training programs with the systems.” (MA1, 2015)**

HR executives MA3 and MA5 are both adopters of technology within their organisations, even though MA5 mentioned during the interview that they were still quite traditional in their operations, such as by providing the human touch, but were willing to introduce technology for their front office to increase efficiency.

**MA3: “I would say we are quite traditional. Like, we use technology to help us to do the job better. We are also quite open to the latest technological thing we can use to help out in our daily operations, like what you mentioned—the front office.” (MA3, 2015)**



The 'human touch' approach was emphasised by MA3 and MA5 during the interview, which is 33 per cent of participants. The human touch was used as a differentiation strategy for H6 against their competitors in the hospitality sector which is facing a string of problems from the drop in revenue, a lack of local resident workers and the constant scrutiny from the social and community groups with representation in the Macau SAR Government.

**MA6: “Yes, we still try to create the human touch, the emotional connection. It’s very important for us. That is what we think differentiates us from the other brands.”**

*Interviewer: Because if H6 actually goes on that automated check-in, then one of the values that H6 has been proud of (will be lost)?*

**MA6: “Right, you lose a lot of opportunities to create that emotional attachment.” (MA6, 2016)**

The high level of human touch and emotional connection within the industry indicated a requirement for labour which is demographically different from the labour force of the last 10 years. Employees are now more tech-savvy and mobile due to the increase in education and knowledge level. When asked if the organisation had taken steps to counter the ever-increasing mobility of generation Z, half the organisations interviewed indicated they had not changed their HR policy to accommodate the particular changes for generation Z. This was echoed by MA6.

**MA6: “It is a challenge, but we didn’t really change our HR policies to cope with that yet.” (MA6, 2016)**

Some of the organisations interviewed were part of an international chain with their corporate headquarters (HQ) overseas. The distance, and operating in a different environment to Macau implied that corporate HQ did not consider this factor when setting or revising the HR policy for the operations in Macau. The lack of forward planning by operators could indicate difficulties in a very competitive labour market. The relationship between the organisations in Macau and their corporate HR can be complex, depending on the degree of interdependence the subsidiary in Macau has.

### **5.5.10 Relationship between corporate and local HRM**

With continued globalisation of large corporations, such as international hotel chains, and an increased awareness of the importance of employees for organisation competitiveness, how to manage staff in foreign affiliates has become increasingly important for organisations. Most multinational enterprises have a unique position due to cross-border operations. An organisation would want to ensure there is central control and the subsidiary resembles the parent company. According to Suddaby (2010), the best-fit approach to HRM focuses on the need to match HR practices to prevailing conditions in a specific organisation's field. This approach is known as institutional isomorphism and it consists of three distinctly different mechanisms which have the ability to influence decisions of the HR department as well as the whole organisation (Farndale and Paauwe 2007). The first is coercive mechanisms, which stems from power sources that are stronger than the organisation's. The second is mimetic mechanisms, which came about due to patterns of responses to uncertainty. The third is normative mechanisms, which are usually associated with the adoption of standards and routine considered appropriate in a specific environment (Li, Frenkel & Sanders, 2011). According to Caligiuri (2014), power and politics have a role in influencing an organisation's executive decision on whether to extend or limit the extent of global policies to safeguard their own interest. Institutional pressures are thus found not to have any deterministic effect, but instead are moderated by the role of powerful individuals and groups within the organisation (Edward et al, 2005; Li, Frenkel & Sanders, 2011). The organisations at a national or regional level can thus draw on elements from the institutional context in order to prevent the implementation of cross-national HR practices emanating from the corporate level (Li, Frenkel & Sanders, 2011).

Organisations with their corporate HQ located in the US are less institutionalised compared with those from Central Europe (Paauwe and Boselie 2003). During the interview, HR executive MA2, whose organisation is US-based, mentioned that there is no centralisation in HR practices between the head office in the US and the subsidiary in Macau.

**MA2: "We don't have actually that centralisation in terms of corporate HQ and Macau. So the things that are here in Macau, they are developed here." (MA2, 2015)**

The organisation believed that each of the properties catered to a different market, which allowed the integrated resort to grow in a different way, thereby having their own identity within the host countries. Instead of replicating the corporate policies throughout the

subsidiary, like a ‘father and son’, IR1 has more of a ‘brother and sister’ relationship with the other properties around the world (MA2, 2015).

**MA2: “It is only because we try to cater to different markets and we grow in a different way. So we are more brothers-and-sisters properties than really like a father and a son.” (MA2, 2015)**

The statement from the HR executive above shows that the US-based organisation’s idea of regulatory control is in line with Katou, Budhwar, Woldu and Basit Al-Hamadi (2010). The level of institutionalisation in a European-based property could be different due to a coordinated market approach within Europe (Farndale, Brewster et al., 2008). In the interview with HR executive MA6, whose head office is in Europe, MA6 revealed that the local subsidiary (H6) in Macau had the flexibility to adapt to the local regulations, as head office understood the need to adjust to local governmental policy on the issue of labour quota. To achieve legitimacy within the environment in which an organisation operates ensures access to the necessary resources from employees, trade unions, social groups, the SAR government, financial institutions and stakeholders (Farndale, Brewster et al., 2008). According to Suddaby (2010) and Li, Frenkel and Sanders (2011), three mechanisms can be identified through which institutional isomorphic changes take place. Applying the three mechanisms and timeline to Macau showed that the HR policy in the local subsidiary was influenced by the coercive, normative and mimetic mechanisms at some point in time; it could be two mechanisms in a certain period, or three mechanisms depending on the external environment. Macau’s hospitality industry can be classified into two time periods: before and after liberalisation of the gaming sector. Pre-liberalisation saw one single organisation monopolising the gaming and hospitality sector, which did not need to consider customer service nor staff satisfaction. The institutional isomorphism pertaining to pre-liberalisation (2002) would only be coercive mechanism (government pressure), as the other actors were absent in the environment. Changes to the external environment resulted in competition among the incumbent and foreign multinational organisations. Changes to the operating environment caused organisations to review their own HR best practices in terms of development, training and retention. Coupled with intense scrutiny from the various institutional groups, this saw institutional isomorphism at its highest. Coercive, normative and mimetic mechanisms were on display after all IR&H operators had their structures built and were in operation. The deliberate action by the Macau SAR Government to open the sector to competition saw the introduction of a labour quota

system and competition between the organisations for local residents. The organisations adopting similar training and development programs in recent years for workforce retention somewhat indicated a convergence of HRM practices due to the external environment in Macau. The various institutional isomorphism mechanisms used during pre- and post-liberalisation show that the extent of both institutional and competitive isomorphic pressures in any given national context is very much dependent on the characteristics of the nation (Farndale, Brewster et al., 2008).

Like many tourist destinations around the world, Macau’s Cotai Strip and the Macau Peninsula are lined with rows of IR&H. Liberalisation of the gaming sector in 2002 saw global investment in the form of new international hotel chains, and these hotels are part of the mega-integrated resorts which usually comprise two-to-four different hotel chains.

Fifty per cent of participants in the research study are part of an international chain from both the US and Europe. According to Farndale, Brewster et al. (2008), centralised control of management in the European organisations tends to be more prevalent. Responses by interviewees of the two European-based hotels mentioned the flexibility afforded to them by their European head offices pertaining to local HR policies. Similarities in the HR approach by the US and European organisations indicated a convergence of HR policy in Macau. The pressure for the organisations to conform and adopt a standard set of HR practices to be competitive saw all six organisations having similar human-centric HR policies in an environment where labour is tight (Björkman and Fey 2007). Budhwar and Sparrow (2002) and Heikkilä (2013) argued that national environment (tight labour market in Macau) is one of the factors that exerts significant influence on HR practices in the focal nation (Macau). Table 5.13 displays the participants’ interview responses.

**Table 5.13: Corporate directives’ impact on local HR practices**

<b>Participant</b>	<b>Organisation</b>	<b>Overseas/local qualification</b>	<b>Local resident of Macau</b>	<b>Corporate impact on local HR practices</b>
MA1	IR1	Overseas (Australia)	No	Local institutional regulation takes precedence over corporate HR

				directives after discussion with various stakeholder
MA2	IR2	Overseas (Portugal)	No	Local institutional regulation takes precedence over corporate HR directives but upon approval from HQ—all properties are different from one another
MA3	IR3	Overseas (US)	Yes	Depending on the situation, will find a balance between the corporate HR directives and institutional regulations—tend to be more flexible when it involves local regulations
MA4	H4	Overseas (Canada)	Yes	Depending on the situation, will find a balance between the corporate HR directives and institutional regulations—tend to be more flexible when it involves local regulations
MA5	H5	Local (Macau)	Yes	Depending on the situation, will find a balance between the corporate HR directives and institutional regulations—tend to be

				more flexible when it involves local regulations
MA6	H6	Overseas (China and Canada)	No	Depending on the situation, will find a balance between the corporate HR directives and institutional regulations—tend to be more flexible when it involves local regulations

When respondents were asked if their organisations achieved equilibrium between centralised international HRM (corporate directives) and local HRM practices (HR policy due to local institutional changes), approximately four (66.7 per cent) responded with identical responses, citing that the organisation would attempt to seek a balance between the corporate HR directive and the local regulation passed by the Macau SAR Government. There are a number of reasons for the respondents' answer to this question. Firstly, the background of the HR interviewees provided an indication that they had a long-term orientation (LTO) in their outlook. According to Hsu, Woodside and Marshall (2013), China scored 87 for its long-term orientation. Three of the HR executives in this research are local residents from Macau who are ethnic Chinese, which explains their LTO view, formed during their education in Macau. MA6 is from Mainland China. An individual or organisation that has LTO: (i) seeks market share and long-term profit; (ii) prefers the 'middle ground' (achieving balance); (iii) adapts to changing circumstances; and (iv) succeeds with rewards in the long-run. According to respondents MA3, MA4, MA5, MA6, they each sought to maintain a balance between corporate HR directives and institutional regulations from the SAR government. Their actions match the traits for LTO, whereas 33.3 per cent of participants displayed characteristics STO-1, which indicated a form of short-term orientation (STO).

By choosing to have local institutional regulations take precedence, both MA1 and MA2 exhibited traits of STO-1, which effectively means they are fulfilling social obligations in Macau that are mandated by the government of the SAR. Regardless of the characteristics of

LTO-2 or STO-1, the presence of institutional influence during the translation process showed that two mechanisms (coercive and normative) of institutional isomorphism was involved. These mechanisms allowed the organisations to achieve legitimacy within the organisation to ensure access to necessary resources and continued support from the Macau SAR Government (Li, Frenkel & Sanders, 2011).

From the analysis of the interviews in Table 5.13 and the long-term versus short-term characteristics in Table 5.14, a hybrid diagram using the mechanisms of institutional isomorphism, long-term versus short-term and the interviews can be used to establish the intricate relationship between all three categories, as can be seen in Figure 5.2.

**Table 5.14: Long-term versus short-term**

<b>Characteristics of Long-term Orientation (LTO)</b>	<b>Characteristics of Short-term Orientation (STO)</b>
LTO-1: Which norms apply depend on the situation	STO-1: Fixed norms apply no matter what situation
LTO-2: Choosing the ‘middle way’	STO-2: Fulfilling social obligations
LTO-3: Adapting to changing circumstances	STO-3: Not flexible to changes
LTO-4: Focus is on the ‘bottom line’	STO-4: Focus is on market position

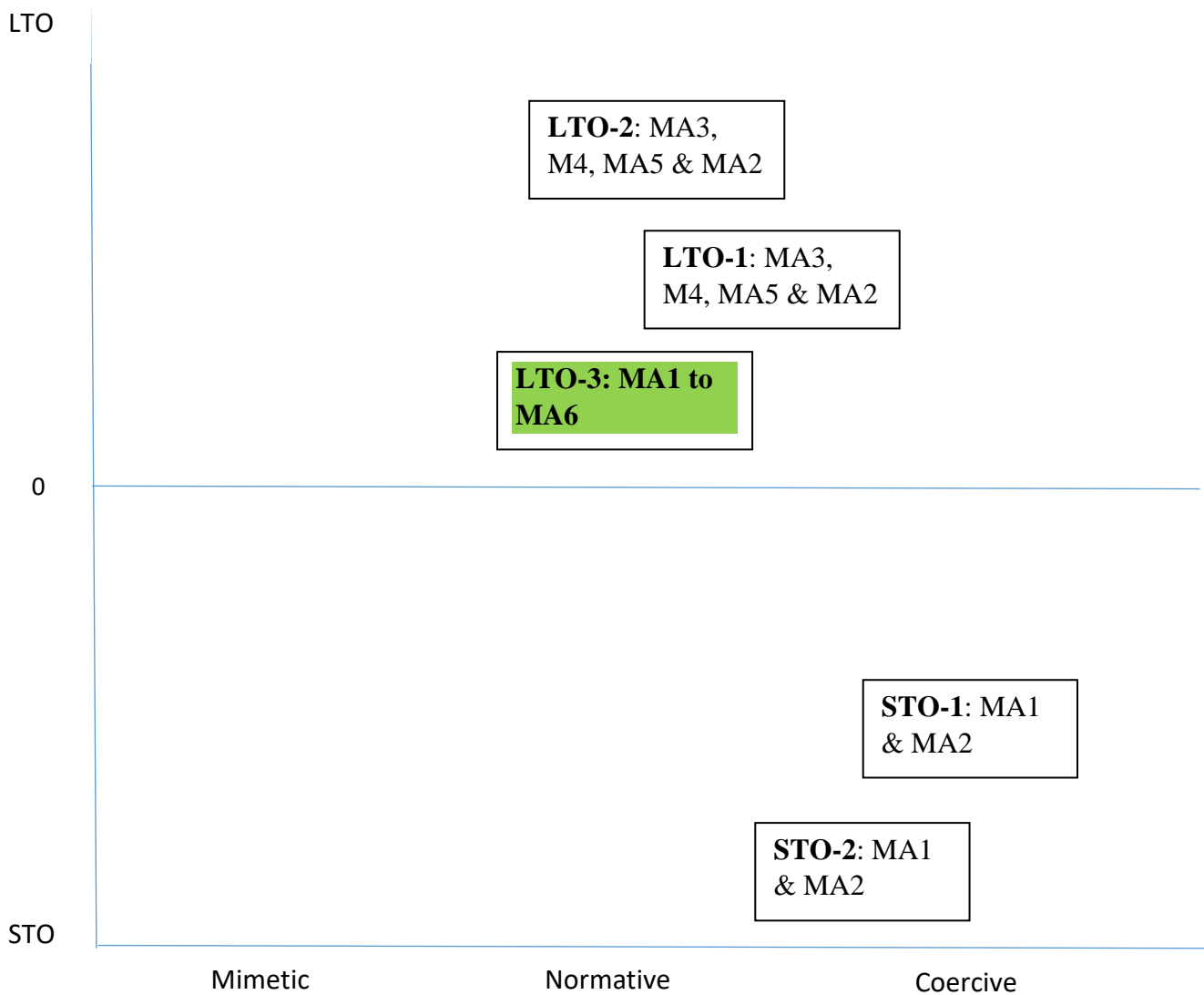
Source: Cultures and Organisations (2010)

The combination of coercive mechanism, normative mechanism and LTO shows that the participants could be split into two distinct groups (LTO and STO): those who are trying to fulfil their social obligations by adhering to institutional regulations in order to access the resources and, to a certain degree, the approval and cooperation of the SAR government (Li, Frenkel & Sanders, 2011). This is important to MA1 and MA2 due to the fact they can be considered new entrants into Macau when compared with older establishments such as Holiday Inn, which entered Macau in 1993.

The other participants (MA3 to MA6) focused on finding the right balance between HR practices and institutional regulations. This resembles LTO-2 characteristics, which could indicate that these organisations have been in Macau for quite some time and would have obtained legitimacy within the organisation’s field as well as resources from the government: a good indication that MA3, MA4, MA5 and MA6 could have moved from a STO to a LTO over the years.



**Figure 5.2: Long-term orientation with institutional isomorphism**



From Figure 5.2 there appears to be a convergence of all organisations in LTO-3, according to earlier responses from the participants. They are willing or have to follow the institutional regulations imposed by the SAR government, which is adapting to changing circumstances. The organisations at this point in time could indicate that MA1 to MA6, through the years of legislation changes on the workforce, were accustomed to adapting these changes in their HR policies and were considered appropriate in a specific environment (Li, Frenkel & Sanders, 2011).

## Chapter 6

### Human resource differences between Singapore and Macau

#### 6.0 Introduction

After analysing the findings from the interviews conducted in Singapore and Macau, it is imperative to compare and contrast them with each other so that all the major and minor differences can be identified and the important discoveries can be highlighted. Chapter 4 comprehensively discusses the findings from the interviews conducted in Singapore, whereas Chapter 5 covers the same for the interviews conducted in Macau. Chapter 4 starts with the discussion of labour and political forces present in Singapore which are affecting human resource management policies and practices on a national level, and the labour permits in the country. The analysis and comparison of the findings and important discoveries from Chapters 4 and 5 are based on the differences in the human resource management policies and practices in Singapore and Macau. The data collected for this analysis was purely qualitative, based on interviews with human resource executives from chosen hospitality organisations in both countries. The translation of human resource management policies and practices depends on the strategic reframing, groundings, and preferences which local individuals possess, as stated by Boxenbaum in the Three-Dimensional Theory (Shen, Chanda, D'netto, & Monga, 2009).

The first difference identified is the professional qualifications of the interviewees from both countries. There were a total of eleven respondents (six in Macau and five in Singapore) and only 18% hold a HR degree. From Singapore, two out of five (40%) participants have a degree or some training related to Human Resource Management. The other three have degrees in Business Management, Law, and Hospitality. This is a clear indication that the remaining 60% of the respondents do not have basic or intermediate knowledge of human resources, and are learning these while on the job or through mentors. On the other hand, no participants from Macau have any certification, training, or degrees related to Human Resource Management; rather, they are qualified in Psychology, Law, Hospitality, Sales and Marketing, International Trade, and Management. The participants from Macau included both locals and overseas natives. The researcher also found some informal relationships between participants from both countries. Some participants have been office colleagues in the past. For example, SG3 and SG4 from Singapore; SG3 recommended SG4 as a participant. SG2 and MA2 were also colleagues in Macau.

The second difference was in the cultural background, personal values and work environment of the participants from both the countries. Three of the six participants from Macau, MA1, MA2 and MA6, were from overseas, while MA3, MA4 and MA5 were born locally. The participants from overseas obtained their educational qualifications from their home countries. MA1 and MA2 were from Western cultures while MA6 was from an Eastern culture. Among the three overseas participants, only MA6 had a cultural background and personal values related to the local participants, and to the Macau culture as a whole. Four out of five participants in Singapore were either from Singapore or Malaysia; only one (20%) of the respondents (SG2) comes from a nation that is culturally different. In comparison three out of six (50%) of the respondents in Macau came from overseas. Singapore, though a metropolitan society, does not seem to be as accommodating as Macau in terms of overseas staff for the human resources department.

In order to summarise the findings and reach definite conclusions, it is imperative to compare and contrast the differences in the Human Resource Management policies and practices in both countries. This section presents a comprehensive comparison of these policies and practices.

### **6.1 Influence of education and culture on policy translation**

The educational backgrounds and cultures of individuals influence the way they translate the national policies into the human resource management policies of their organisations (Sparrow & Wu, 1998; Armstrong & Taylor, 2014). It is because education and culture have a direct impact on the learning and individual preferences of an individual; hence, translation is influenced by the way the respondents have experienced life (Shen, Chanda, D'netto, & Monga, 2009). For example, an employee who is educated and trained in the field of law is better able to understand the legal language and complex terminologies in policy documents, compared to employees who are trained in other fields. A lawyer can understand the terms, what the law says, and how it can be incorporated to translate the national policies effectively (Huey Yiing & Zaman Bin Ahmad, 2009). A HR executive can analyse and interpret the legal terms and concepts in the light of prior experience and practice. In response to the question of whether education and culture have an effect while translating national policy, the human resource executives from Singapore explained that organisational culture is one of the leading factors which affect the process of translation of national policy into the human resource practices of an organisation (Armstrong & Taylor, 2014). For the Macau participants, five out of six respondents (83%) believed that education has a significant impact on the translation of

national policy into human resource management practices in the respective organisation. For example, MA1 believes that education helps to shape a person and that plays a part in community development as well as personal grooming – both of which are important when an HR executive needs to effectively understand and translate the national policies into the HR policies of their organisation (Ahmed, Nawaz, Iqbal, Ali, Shaukat, & Usman, 2010).

The employees qualified from abroad were keener in applying education and experience in the translation of national policies (Doherty, Richardson, & Thorn, 2013). The same response was observed in the participants from Singapore. Three of the respondents, SG1, SG2 and SG3, believed that education, knowledge and previous work experience do play a significant role in the translation process of the national employment policy. With the diverse educational backgrounds of the HR executives, understandings and translations of the national policies were also unique and different from one another (Bratton & Gold, 2012), hence the same national employment policy is interpreted differently by HR executives in Singapore and Macau. SG1 believed that HR executives incorporated personal and professional work experience while translating national policies into the HR policies and practices of their organisation. SG3, who had diverse experience in both government and private corporate sectors, said during the interview that HR executives in the organisation (H3) will not compromise or sacrifice the day-to-day operations for institutional labour policy, which can have a negative impact on the organisation. The findings show that 80% of the Singaporean respondents had professional experience translated into the organisation's HR management practices via the national policies, with the exception of SG4 who said that education has no bearing on the translation of national policy.

After comparing the different viewpoints of the respondents in both countries, it can be said that education has a vital role in the translation of national policies into human resource practices of an organisation (Ahmed, Nawaz, Iqbal, Ali, Shaukat, & Usman, 2010). When the HR executives have to undergo the translation process, the experience, learning and knowledge from academic and professional contexts will be called upon (Suleman, 2012). Rich, Lepine, and Crawford (2010) state that employees who do not have an educational background in human resource management tend to use their training and prior experience from their current or previous industry so that they can effectively translate national policies into HR policies. On the other hand, if the HR executives are well-trained and experienced in human resource management practices, there will not be any difficulty in the process of translation, as the HR

executive knows what is expected. If there is a multidisciplinary team with different educational backgrounds and a mixture of diverse experiences from both local and overseas institutions, then the team responsible for national policy translation may face various issues, including communication barriers, conflicts, favouritism and biases (Roberson, 2013; Ostroff & Perera, 2015). The team members participating could argue with each other and try to convince other team members to translate the national policies according to their own thoughts (Stahl, Maznevski, Voigt, & Jonsen, 2010). Each individual in the team could have their own agenda or thoughts during the translation of national policies that could cause conflicts and disputes among the team members (Van Knippenberg, van Ginkel, & Homan, 2013). For an effective translation of national policies into human resource management policies and practices of an organisation, it is vital to involve HR trained professionals and employment law HR or legal executives. There must be a good balance between the educational background of the team members and their work experience in a similar capacity. From the responses of all the participants in both the countries, it is concluded that employees who are assigned the responsibility of translating the national policies into their organisation's HR policies must try to incorporate both educational backgrounds and work experience in this process.

As categorized by Kang & Snell (2009), employees are either generalists or specialists. However, for the translation of national policies into the human resource management policies of an organisation, both generalists and specialists have their own part to play. Since the generalists have a strong knowledge base and have learned things from diverse fields, they can give ideas in any field and need very little training to get the national policies translated into HR policies effectively. Similarly, specialists can present ideas and give an opinion in the light of their vast expertise and deep knowledge of the field. Although education, culture and family backgrounds are important factors that influence the translation of national policies into human resource policies, there are some more factors which have similar impacts on this relationship.

## **6.2 Personal values and beliefs**

Individuals' personal values and beliefs are largely influenced by the culture and social system in which they grow up and live. Value is one of the most important constituents among beliefs, attitudes and lifestyle (Moyano & Lengler, 2013; East, Singh, Wright, & Vanhuele, 2016). Values play a significant role when individuals perceive things and make decisions about what is good or bad about a particular situation or commodity (Yates & de Oliveira, 2016). For the second question, the researcher wanted to find out about the impact of personal values and

beliefs of the respondents on the institutional policy translation process into human resource management practices and policies of the organisations. The researcher asked the respondents whether their personal values and beliefs were incorporated into their workplace.

The participants from Singapore ranked hard work and integrity as the core values with the highest importance which were incorporated into the HR policies of the organisation. Respondent SG1 gave importance to integrity and passion for helping others; SG2 ranked equality and hard work at the top of their overall personal values; SG3 believed his motivation, hard work, teamwork, and adaptability were the leading values incorporated into the human resource management policies of his organisation (Dobre, 2013). Participant SG4 considered integrity, mutual respect, relationships, and ethics as the most important values to be incorporated into the HR policies. Participant SG5 added honesty to integrity and hard work. From the opinions of all these participants, the researcher concluded that every individual possessed some personal values and beliefs (Hsu, Woodside, & Marshall, 2013). When the researcher compared and ranked the Singaporean participants' personal values according to frequency of use during the interviews, integrity and hard work appeared the most.

When the same question was asked of the respondents in Macau, they highlighted that personal values and beliefs largely influence the translation of national policies into human resource management policies within their organisations (Geare, Edgar, & McAndrew, 2009), this reflected a similarity between Singapore and Macau. Respondent MA1 believed that personal values do influence HR practices in most workplaces. This participant was of the view that making employees participate in the decision-making process, building collaboration among them, and giving respect to the individual are the three core values which are incorporated when the national policies are translated into the human resource management policies of the organisation (IR1) (Spreitzer & Mishra, 1999; Gruman & Saks, 2011). MA2 stated that the most important personal values and beliefs according to the organisation's (IR2) point of view are customer services, personal development, and openness or feedback from employees (Boxall & Macky, 2014). Like the participants from Singapore, MA3 also considered integrity and honesty as core personal values in this regard. MA4 ranked hard work and faith at the top; MA5 believed it was hard work and customer service; while MA6 said teamwork, integrity, and personal development were the leading factors that influence the translation of national policies into the human resource management policies of an organisation (Noruzy, Dalfard, Azhdari, Nazari-Shirkouhi, & Rezazadeh, 2013).

If opinions of participants from both countries regarding the influence of personal values and beliefs are compared, it is found that integrity and hard work are the leading factors which influence the translation of national policies into the human resource management policies of organisations (Dobre, 2013). Among all participants, five (5) out of eleven (11) mentioned integrity as the core personal value. Similarly, five (5) different participants across both countries also mentioned hard work. Participants from Singapore and Macau collectively consider these two personal values important. Integrity appeared in a combined total of five out of the eleven respondents (45.4%), which is coincidentally the same number of times that hard work appeared.

In second place, the participants considered openness or transparency important. Based on the opinions of the participants, it can be said that employees mostly focus on incorporating integrity and believe in hard work when they are given the responsibility of translating national policy into HR policies for their organisations (Palanski & Yammarino, 2011). When they work with integrity and give their best in the workplace through hard work and commitment, they can effectively translate the national policy (Al-Asfour & Lettau, 2014). The previous factor, educational backgrounds and cultural values, cannot give good results if employees fail to incorporate integrity and hard work in their responsibilities. For this question, all of the participants said that their personal values do have a role to play in the translation of national policies into the HR policies of their organisations. It implies that the educational backgrounds and cultural systems of employees are strongly supplemented by their personal values and beliefs when they are asked to translate national policy (Fernandez & Moldogaziev, 2013). The values of hard work and integrity that appeared most frequently (45.4% each) are core values of Confucianism in Chinese society.

### **6.3 Influence of mentor**

A mentor becomes the biggest source of learning for mentees through guidance, support, knowledge sharing and rich discussions (Von Krogh, Nonaka, & Rechsteiner, 2012). Baranik, Roling and Eby (2010) believe that a mentor becomes a good source of learning because the younger employee is less experienced, having less professional exposure and lesser knowledge than the mentor. Having a mentor not only improves the learning, listening and communication skills of the mentee, but also helps in the training of the junior employees (Baranik, Roling, & Eby, 2010; Jackevicius, Le, Nazer, Hess, Wang, & Law, 2014). The third question in the

interview asked the respondents to share their experience with mentors and explain how their mentors influenced practices, values and performances in the workplace.

The participants from Macau gave mixed responses to this question. Only two (2) out of six (6) participants mentioned that they had been under the guidance and supervision of a mentor in their job. Participant MA3 had a mentor who was the General Manager of the company. Although the mentor was not from the human resource department of the organisation, he/she was one of the biggest sources of learning for MA3, the mentee. The mentor remained a knowledge source for MA3 and helped the respondent in reaching their current position. MA3 shared that the mentor guided and show MA3 how to run the HR department and handle different HR practices within the company. MA4 also had a mentor in their previous job. Respondent MA4 was not from an HR educational and professional background, but the General Manager of the organisation inspired MA4 to learn more, work hard and give their best in the workplace. MA3 mentioned that the mentor influenced MA3 on the policies and processes, while MA4 believes that values were largely influenced by the guidance and supervision of the mentor.

While only two out of six participants in Macau had a mentor, 80% (4 out of 5) participants in Singapore had remained under the guidance and supervision of an informal mentor in their jobs, while the final respondent had two formal mentors. The participant SG3 shared the HR knowledge that was imparted from the mentor during their career change from Law to Human Resources. Since SG3 was not from an HR background, there was an immense need to work and grow under the supervision and guidance of an HR mentor in the department. The second mentor was friendlier and more accommodating with the juniors, helping the mentee to learn new things with confidence and interest. A notable factor that influences the learning of the mentee, and affects the overall mentor-mentee relationship, is the time spent by the mentee with the mentor for professional learning and personal development purposes (Allen & Eby, 2011). The greater the time span, the stronger the influence a mentor's personal values have on the practices and learning of the mentees.

After comparing the opinion of all participants from both countries regarding this question, it can be concluded that mentors play a vital role in the learning and knowledge base of the mentees (Allen & Eby, 2011). When there is a mentor available, the employee can learn from the mentor's experience, knowledge and professional exposure (Jackevicius, Le, Nazer, Hess, Wang, & Law, 2014). On the contrary, if the employees fail to get a mentor on the job, they



will have to learn all the values and organisational practices on their own (Arora & Rangnekar, 2014). They either learn from their environment or from a group of people that have a bigger influence on the department or the organisation as a whole. Based on the opinions of the participants, it can be said that mentors are important most of the time due to their positive influence on professional learning, as well as personal development of their juniors or mentees (Von Krogh, Nonaka, & Rechsteiner, 2012). It is an obvious practice that new employees learn the values, practices and actions of their seniors or superiors. Concerning the translation of national policies into the human resource management policies of organisations, it is vital for new employees to keep an eye on the actions and values of their seniors, for example how they react in a particular situation, how they interpret the law and mould their current human resource practices according to the national policies, and what answers they give when pertinent HR questions are asked (Aguinis & Kraiger, 2009). Moreover, it is also found that it is not necessary for new employees to have a formal mentor to get effective guidance and supervision (Serrat, 2010). Rather, any informal mentor in a department can be a good source of learning for the new employees. When there is more than one mentor involved in the training and personal development of a junior, the personal values and beliefs of both the mentors are important.

From the comparison, it implies that educational backgrounds, cultural systems, personal values and beliefs are all important for the employees when they need to translate national policies into the human resource management policies of their organisations (Fernandez & Moldogaziev, 2013). However, when their career direction and professional development is guided by the values of their mentors, the impact of their education, culture and values is minimised or overcome by the values of their mentors. That is, the values and practices of the mentors overtake the values and past learnings of the mentees (Von Krogh, Nonaka, & Rechsteiner, 2012).

#### **6.4 Nationality and translation of national policy**

In the next question, the researcher asked the respondents to share what role nationality plays during the translation of national policy. The respondents in Singapore and Macau gave mixed responses to the question.

The first respondent from Singapore, SG1, believed that organisations prefer to give the responsibility of national policy translation to the local resident employees, because the local

staff are well-versed in national policy; being a local resident, they understand the national employment policy better and have actually practised it in the corporate sector (Nachum, 2010). On the other hand, foreign HR employees have little or no knowledge of the national employment policies; due to this, they may not be able to translate them in an effective way. In addition, since they have knowledge of their own home country's policy, they will translate the national policy according to their home country, which will bring a negative impact on the organisation's human resource management policies and practices (Froese & Peltokorpi, 2011). The organisations prefer local employees in order to avoid consequences in which they may have to face the translation of foreign labour policies. The fourth respondent from Singapore, SG4 also shared the same view. SG4 believed that organisations give this responsibility to their local HR executives because they are familiar with the national policies and can better interpret them for human resource management policies (Schuler, Jackson, & Tarique, 2011).

The second respondent from Singapore, SG2, also stated that the translation of national policies requires the organisations to first respect the cultural differences of their employees. At the same time, the employees must understand and respect the changes which the organisation want to bring to its human resource management policies by keeping in view the change in the national policy. The third respondent, SG3, was of the view that the organisation does not differentiate between local and foreign employees when it comes to the translation of national policy into its human resource management policies. The organisation believes that there are not many differences between the two, except the personal values and attributes possessed by these two classes of employees (Mazur, 2010). There are many human resource practices which are quite common throughout the world, mainly concerning recruitment, selection, motivation, and performance appraisal. The fifth respondent, SG5 agreed with the point that local employees are familiar with the local policies and practices.

However, SG5 also believes that if a foreign HR employee has been in the HR sector for many years in a country, then the employee can also effectively translate the national employment policies into the human resource policies of their current organisation. They can do this translation in the light of their current country's policies, as well as suggest things which are better in their home country so that the current country's policies can be improved (Mazur, 2010).

Concluding the points of view of all the participants, it can be said that when organisations give the responsibility of translating national employment policies into the human resource practices of a local HR employee, the employees who are local residents are comparatively better at this practice due to their extensive knowledge and understanding of the national policies, in contrast to the foreigner employees who are more well-versed in the policies of their home countries (Nachum, 2010; Daley, 2012; van Gestel & Nyberg, 2009; Boselie, Brewster, & Paauwe, 2009). However, it is imperative for both categories of employees to respect the organisational values and accept the changes which the organisation wants to bring to its current HR policies and practices. If an organisation does not give importance to the national policies and keeps on practising its own HR policies, the government imposes fines and punishments in many ways. When the HR team is composed of individuals from different nationalities and cultural backgrounds, they tend to translate the current country's national policies according to the policies practised in their home countries (Pieterse, Van Knippenberg, & Van Dierendonck, 2013; Stahl, Maznevski, Voigt, & Jonsen, 2010). For an effective translation of national policies into human resource management policies, organisations have to ensure that their employees – whether they are local residents or foreigners – respect the local standards in this process.

## **6.5 Nationality, training and policy**

In the next question, the researcher intended to identify the challenges which an organisation faces when it undergoes the translation of national employment policies into its own HR policies and practices. In question 2, the interviewer asked how the personal values and beliefs of an HR executive affect the human resource policies of the organisation. In this question, the interviewer aimed to analyse the impact of an HR executive's training.

When this question was asked of the respondents from Singapore, the first participant, SG1 shared that the organisation first looks at the challenges which it may have to face in the translation of national employment policies into its own HR policies and practices: the possible impacts, performance costs and benefit analysis for this translation of national policy. The biggest challenge identified by the first participant was the cost of hiring foreign staff in the organisation (Doherty, Richardson, & Thorn, 2013). The organisations have to pay levies to the government upon hiring, and renewing contracts for, foreign workers. The second respondent from Singapore, SG2, also shared the same views with the researcher. This participant believed that the costs of employee recruitment and training are the biggest

challenge for organisations (Daley, 2012; Beardwell & Thompson, 2014). SG2 believed that organisations follow the Coercive Isomorphism Theory when they have to translate national employment policies into their own HR policies and practices, and it is therefore inevitable for firms to ignore the national policies in Singapore. In addition, they have to manage their employees' resistance towards the change in HR policies and practices which may result in negative impacts on employee satisfaction within the organisation (Bateh, Castaneda, & Farah, 2013). The third respondent from Singapore, SG3, believed that organisations may make changes in the national policies to match with their own HR policies and practices, so that their operations are not affected in a negative way. SG4 and SG5 both favoured the national policies regarding their importance for the organisations. They believed that organisations essentially need to follow the national employment policies and incorporate them into their HR practices to avoid unwanted circumstances (Bonoli, 2010). SG5 was of the view that organisations may make slight variations to the national employment policies for the purpose of adjusting their routine practices and operations according to the government's requirements, and also to maintain their good reputation in the eyes of the governmental authorities.

When asked the same question, five (5) out of six (6) of the participants from Macau said that the training, past work experience, or nationality of a human resources manager or director has a direct, and indirect, influence on the translation of national employment policy into the human resource management policies and practices of their organisation. The participants MA1, MA3, MA4 and MA6 believed their past working experience gained overseas affects the translation of national policy in the current organisation. The education and extensive training in Law that MA2 received has a significant influence on the translation of national policy into the human resource management policies and practices of the organisation (IR2).

Among the participants, only MA4 stated that training, nationality and prior professional experience has no influence when translating the national policy for the organisation. If the opinions and points of view of the participants in both countries are compared, it can be concluded that the participants from Singapore believed that organisations keep in view the national policies when the need arises to translate and incorporate them into the organisation's own HR practices (Turner, 2014). The education, personal values, beliefs, work experience, nationality and training of an employee all play a significant role in this translation (Martinez, Beaulieu, Gibbons, Pronovost, & Wang, 2015). Similar thoughts were expressed by participants from Macau. Most of these participants (5 out of 6) believed that their prior work

experience, nationality, and education have an influence on the translation of national policy. Only one participant from Macau disagreed with the opinion of other participants. From the opinions of participants in both Singapore and Macau, the most important finding is that organisations essentially need to adhere to the country's national employment policies and incorporate them into their current HR practices. However, they can make slight changes if the HR executives feel the new employment policy will affect the HR practices negatively. In such cases, the HR executive should only apply those policies which are universally acceptable or will have a minor or positive impact on their practices.

## **6.6 Vision, values and formulation of the organisation**

In the Strategic reframing section, the first question was related to the inclusion of an organisation's vision and values in the formulation of its human resource management policies and practices. An organisation's principles, philosophies and vision directly affect the policies and practices designed for its employees at all organisational levels, which ultimately bring an impact on its performance (Bratton & Gold, 2012).

In response to this question, the first respondent from Singapore, SG1, shared that the organisation (IR1) adopts a humane approach while designing its HR practices in the light of its corporate-level values and vision. The employees at IR1 respect these corporate values and vision, and work committedly and wholeheartedly for the achievement of the common goals. Although the organisation focuses on building a strong organisational culture with humane and friendly corporate HR policies, at the same time it ensures that the organisational members work with full dedication and hard work for the achievement of organisational goals (Ford, 2014). The second respondent, SG2, believed that the organisation (IR2) realises the importance of a humane organisational culture, where there is strong collaboration and effective communication among the employees complementing the mutual efforts towards the accomplishment of organisational objectives (Beauregard & Henry, 2009). The core values which an organisation focuses on include mutual coordination and integration, hard work, adherence to the corporate policies, corporate social responsibility, and steps towards sustainability (Jacobs, Mannion, Davies, Harrison, Konteh, & Walshe, 2013). The organisation takes the opinions and feedback of its employees so that it can improve its HR practices to support its vision and values, but also enhance the employees' commitment to work harder and with full dedication (Ford, 2014). The third respondent, SG3, echoed similar views. The respondent believed that their organisation (H3) keeps an eye on its values and vision while

formulating its human resource management policies. All the HR policies are effectively aligned with the organisation's values and vision, which helps to boost the level of employee satisfaction within the organisation. On the contrary, if the organisation ignores the HR practices and only focuses on its values and corporate objectives, it will experience negative employee attitude and high turnover caused by decreasing satisfaction levels with the HR policies and practices. The fourth respondent, SG4, referred the researcher to the organisation's website to check the alignment of its values and vision with its HR practices. SG5 also supported the views of other participants by stating that the organisation (H5) continuously watches over its current HR policies and practices and moulds them according to its corporate values and vision (Bratton & Gold, 2012). The participants from Macau supported the view that organisations always keep the corporate values and vision in line when they need to design their HR practices. These values largely influence the HR practices of the organisation. The respondent MA4 stated that organisations reflect their values, such as self-cultivation, into their HR practices.

From all the responses, conclusions can be drawn that organisations from both Singapore and Macau always give an equal focus to their corporate values and vision along with their HR practices. They believe that providing equal employment opportunities, making every effort to enhance employee satisfaction, respecting cultural diversity, and ensuring effective communication and coordination among employees are all essential to achieving corporate objectives (Ford, 2014; Turchina, 2009). However, it is imperative that all these HR practices are aligned with the corporate values and vision, so that these practices can fully contribute to the organisation's performance and success (Chun, Shin, Choi, & Kim, 2013).

## **6.7 Financial vs employee performance: impact on training and retention**

Traditionally, organisations used to place more emphasis on their financial performance than their human resource management or employee performance (Grigoroudis, Tsitsiridi, & Zopounidis, 2013). With the passage of time, they have realised the importance of employee performance for success and sustainability in the marketplace (Beardwell & Thompson, 2014). The interviewer asked a question about whether organisations prefer financial performance or people performance, and also if the participants observe any impact of this on the training, retention and morale of the organisational members?

The first respondent, SG1 from Singapore, said that IR1 gives an equal focus to both employee performance and financial performance. The organisation realises the importance of a good balance between the two, since they both have a direct impact on employee satisfaction and turnover (Saeidi, Sofian, Saeidi, Saeidi, & Saaeidi, 2015). The organisation keeps its employees motivated through different training and skill development programs. These programs are specifically designed according to their job descriptions, as well as the organisational needs. Other respondents also supported the point of view of the first respondent. Only the second respondent, SG2, declined that there exists a balance between the two focuses. This respondent said employee performance is given more focus in the organisation compared to financial performance.

When the same question was asked of the participants in Macau, most of the respondents (4 out of 6) believed that their organisations focus more on the performance of their employees. Only one (1) respondent said the organisation gives equal weight to employee performance and financial performance, and one respondent (MA6) said the organisation (H6) is now focusing more on its economic and financial performance, retrenching benefits and expenses for its employees due to economic uncertainty in the country. Respondents MA1, MA3, MA4 and MA5 emphasised that employee performance is more important for organisations to succeed in the industry. Organisations should expend a good amount on the training, development, and motivation of their employees to improve their job satisfaction and retain them for a long period of time (Mishra & Suar, 2010). These four respondents chose people performance policy over financial performance and hybrid performance policy.

The comparison of the responses from all the respondents in Singapore and Macau reveal that most of the organisations in both countries are either employee-focused or hybrid (give an equal focus to employee performance and financial performance) in their approach. They realise the importance of spending money and paying attention to the human capital that is the most important resource to gain success and sustainability in the market (Mishra & Suar, 2010; Kehoe & Wright, 2013). Having a people-performance approach in place, organisations can directly affect their employees' retention, training, and morale. Aguinis and Kraiger (2009) state that by arranging training and skills development sessions for their employees, organisations not only enhance the competencies and job-related skills of their employees but also improve their own productivity through the hard work and dedication of these motivated and well-trained employees. In addition to training and development programs, organisations

also expend heavily on motivational techniques, using both monetary and non-monetary approaches (Miner, 2015). Having a mixed or hybrid approach which focuses equally on financial performance and employee performance brings positive impact to the employees' retention, training, and motivation at the same time.

Based on the findings from both countries, the organisations in Singapore tend to lean towards the balanced approach, which is a hybrid between financial and people performance, while Macau only had one organisation preferring the hybrid model. The other four organisations in Macau are into people performance which correlates with the highly competitive labour market there, hence the need to focus more on the employees.

## **6.8 Employment regulations and HR review**

In the next question, the interviewer asked the respondents from both countries to share their views regarding the reviews their organisation conducts whenever the government makes changes in the employment policies and regulations.

The first respondent from Singapore (SG1) stated that the HR team reviews the employment regulations and updates the organisation's HR policies accordingly. These changes are not done on a periodical basis; rather, when the organisation feels there is a need for revision. The second respondent (SG2) was also of the view that the organisation does the HR reviews based on the changes made by the government in employment regulations. The HR department in IR2 is responsible for doing these reviews for the organisation, with the consent and understanding of all other departments in the organisation.

The third respondent (SG3) does this job with the help of HR department. SG3 reviews the HR policies whenever they notice an update in the national employment regulations. The other two respondents stated that their organisations make changes to their HR policies when the government announces a new employment regulation or makes amendments to the existing ones. The interviews from Singapore reveal that all the respondents agreed that organisations in Singapore always keep an eye on the changes and updates in employment regulations which the government make from time to time. Some organisations update their HR policies on a periodical basis, while others only review them when the government make the update an obligation for all organisations. Moreover, some organisations assign the responsibility of reviewing HR policy to their HR departments, while others formulate special teams constituting members from all departments. These teams are responsible for reviewing the



changes in employment regulations, and consulting with other authorities to finalise and approve the review in current HR policies (Mago, Clarke, & Wallace, 2012).

The findings of the interviews from Singapore are compared with those from Macau. The comparison reveals that participants in Macau believed that their organisations realise the importance of updating HR policies in accordance with the updates and amendments in the national employment regulations. All the participants in Macau stated that their organisations review the HR policies whenever the government announces a new policy or make changes to the existing policy. Four (4) out of six (6) participants said that their organisation has a policy group which is responsible for reviewing the HR policy to keep it well-aligned with national employment regulations. MA2 shared that their organisation (IR2) does not review HR policy often and, when the need does arise, it chooses a legal expert to review it and make the desired changes. The comparison of the interviews from both countries also shows that organisations, irrespective of their size and scale of operations, consider the changes which government make in national employment regulations (Ford, 2014). After noticing this change, organisations choose to review their HR policies either on an immediate basis or after a pre-determined time. Moreover, all the organisations prefer to have their HR policies reviewed by in-house personnel. Some organisations ask their HR departments while others choose legal experts or formulate committees or policy groups composed of members from diverse fields. Organisations which believe HR policies must be reviewed by consulting all the departments prefer to get it done through special policy groups. These groups first review the governmental changes in the national labour laws and employment regulations, and then mutually agree to make changes which will bring positive impacts to the organisation and its industrial relations (Ford, 2014).

## **6.9 Brand name and national policy**

In this question the interviewer intended to investigate whether the brand name of an organisation has an impact on how seriously it takes the national policies.

In response to this question, four (4) out of five (5) respondents from Singapore stated that their organisations follow the national policies irrespective of their brand image, the strength of the brand name, the scale of operations, or other parameters of brand success (Avdagic, 2015). They believe that every organisation in Singapore has to comply with the governmental regulations and policies in order to operate in a smooth and legal fashion in the country, and to

achieve sustainable success in the industry (Cadle, Paul, & Turner, 2010). Some organisations even offer more than the expected or set standards; in this way, they try to win the stakeholders' trust. Other organisations at least try to meet the standards in the best possible way. The respondent SG4 stated that, although their organisation adheres to the national policies and regulations, there are some areas where the organisation feels it has to modify the standards or keep on practising its own policies which have been successful for many years. The fifth respondent, SG5, also added that some organisations complement and support the governmental bodies in designing, updating, or making changes to the national policies, which are ultimately advantageous for all the business organisations in that specific industry (Cavusgil, Knight, Riesenberger, Rammal, & Rose, 2014).

When the responses from the participants in Singapore were compared to those of the Macau participants, the interviewer received similar explanations to the question. All the participants from Macau indicated that organisations in Macau have to comply with the national employment regulations and labour laws, irrespective of their size or the strength of their brand names. They are 100% bound to follow the governmental regulations and national policies (Cavusgil, Knight, Riesenberger, Rammal, & Rose, 2014). All the organisations in Macau are supervised by external groups, as well as labour unions, and it is unlikely that an organisation would set the national policies aside and practise their own standards. However, there are organisations which try to go against the law and practise a policy which is unacceptable in the eyes of law; these organisations ultimately have to face severe circumstances. These views were shared by respondent MA3. This respondent indicated that some organisations have their own policies which they have been practising over the years, and they ignore the national policies because they are quite different from the organisation's general practices. In this way, these organisations face the risk that their employees may complain about non-compliance to the labour bureau. These organisations request that their employees follow the corporate policies, but are not able to enforce them since there is a risk that the employee may sue the organisation in the labour bureau. The HR policies practised by MA3's organisation are vastly different from those enforced by the Macau SAR Government. The organisation requests that its employees comply with the HR policies, but does not enforce the practices and policy tightly to avoid the risk of an employee complaint to the labour bureau and subsequent strict legal action by the Macau SAR government. The comparison of the responses reveals that organisations in both countries are bound to follow the national employment regulations and labour laws, irrespective of their size of operations or strength of their brand in the marketplace.

Organisations may offer more than the government standards, to be seen as supporting the government's initiative. To avoid legal actions by the government for non-compliance with these policies, the organisations try to reach the minimum standards of the employment regulations as a strong brand name does not help the organisation avoid legal penalties (Ball, Geringer, Minor, & McNett, 2012).

## **6.10 Training and upgrading**

In this question, the interviewer asked the participants to share their experiences of training and skills development programs which the respective organisations arrange for their employees as motivational techniques. All the participants from Singapore and Macau shared that their organisations are always on a quest to find ways which can improve their employees' productivity and improve their level of satisfaction with their jobs (Brewster, Houldsworth, Sparrow, & Vernon, 2016).

The first respondent from Singapore (SG1) agreed that their organisation (IR1) has perfect policies for the development of the employees. The organisation pays close attention to each individual employee by assessing training needs which are quite specific to his/her job description (Kim, Egan, Kim, & Kim, 2013). Each employee undergoes training and skills development sessions before they are placed in a higher-level position. Respondent SG2 echoed the same view. This respondent stated that the organisation (IR2) assigns time and resources for the development of its employees, without any discrimination between local or foreign employees. The organisation also uses job rotation, job enlargement, and fast-track programs for employee motivation and skills development purposes (Bakker & Leiter, 2010). SG3 reported that the Government of Singapore also encourages local and international organisations operating in the country to arrange training sessions for their employees so that their productivity can be improved. The government also gives different grants to organisations to encourage them to focus on employee development. Other respondents also explained how their organisations focus on human resource development. They expend money on in-house training, and send their employees on outdoor programs for this purpose. Employees are also encouraged to discuss and assess their training needs with their departments.

When the same question was posed to the participants from Macau, all the participants indicated that their organisations arrange training programs for their employees. The most widely used program is job rotation in which employees are assigned job responsibilities from different departments and operational areas so that they can learn more and more (Khan, Rasli, Yusoff, Ahmed, ur Rehman, & Khan, 2014). This is also used as a motivational technique for employees since they feel a sense of personal growth and development (Ho, Chang, Shih, & Liang, 2009). The participants also talked about their personal experiences with their organisations. Some participants have arrived in Macau from overseas with no HR education, but they were educated and trained beforehand in their home countries. Only one participant

from Macau was trained by local organisations. The participants who have come from abroad focused more on the humane approach in the organisational policies. The organisations all believe that retaining good employees is vital to the success of the organisations in the marketplace due to stiff competition from the rivals (Pfeffer, 2005).

On comparing the findings from both sets of interviews, it can be said that organisations in Singapore and Macau focus greatly on the personal development and motivation of their employees. The governments of Singapore and Macau SAR encourage their local and foreign organisations to invest heavily in the training and development of their employees (Jehanzeb & Bashir, 2013). The government departments sponsor the training programs and bear the cost according to the set labour quota or available funds. Organisations operating in Singapore and Macau arrange different training programs and skills development sessions, both indoor and outdoor, to keep their employees equipped with the most up-to-date technical skills and competencies which can ultimately enhance the organisational productivity and contribute towards its success and sustainability (Kozlowski & Salas, 2009). Organisations expend a huge amount on these programs, as well as accepting grants from the governments to train and upgrade their employees' skills. Some of the common techniques used by these organisations include job rotation, cross training, in-house lectures, outdoor training workshops and employee training booklets (Jacobsen, Hvitved, & Andersen, 2014).

### **6.11 Employment policy, local residents and impact**

The Governments of Singapore and Macau SAR encourage organisations operating within the countries to recruit local residents to contribute to the economic development of the country, reduce the level of unemployment among the local populations, and raise their living standards.

When the interviewer asked the participants from Singapore to share their views on the impact of the government encouraging the recruitment of local residents, 40% (two out of five) said that their organisations do not discriminate between local and foreign employees; while 60% (three out of five) said their organisations prioritise local residents for recruitment. On the other hand, 100% of the respondents from Macau believe that their organisations give priority to local residents over foreigners. The first respondent from Singapore, SG1, said that their organisation treats all local and foreign workers equally and does not discriminate in any policy or practice. The second respondent, SG2, stated that their organisation does not consider racial or nationality differences among its employees and treats them quite equally in all policies and

practices. In contrast to the first two respondents, the remaining three respondents presented quite opposing views regarding the discrimination of local and foreign employees. The respondent SG3 shared that their organisation (H3) discriminates between the two groups when it comes to employment contracts. The respondents SG4 and SG5 shared similar views; they reported that their organisations not only prioritise local employees in recruitment, but also give them extra monetary and non-monetary benefits to retain them for a long period of time. The points of view of the last three respondents from Singapore (SG3, SG4 and SG5) were duly supported by the respondents from Macau. All the respondents in Macau said their organisations have defined different areas where local residents are prioritised over foreign workers.

Five (5) out of six (6) respondents believed that their organisations discriminate between local and foreign workers when the organisation have to arrange internal transfers of employees. The organisations prefer locals to be promoted or placed in higher-level jobs. The sponsoring of employees for internal and external training has shown bias towards local employees; foreign employees are ignored when the organisations have to sponsor their employees for in-house and outdoor training programs. Other HR practices in which organisations in Macau prefer local employees over foreign employees include succession planning, employee feedback and communication with management, flexibility of working hours, work-life balance, working environment, and cross training. After comparing the findings from interviews with participants in Singapore and Macau, the conclusion is that organisations in Macau show favouritism towards local employees.

They give them extra benefits and prioritise them in various practices, such as internal transfers, succession planning, taking feedback, giving flexible working hours, and providing a supportive working environment (Nachum, 2010). The organisations in Singapore show mixed behaviour towards their local and foreign employees. Some organisations treat all classes of employees equally irrespective of nationality, residency, and cultural or racial differences. On the contrary, other organisations prioritise their local employees and give them extra benefits, making greater efforts to retain them through financial and non-financial benefits. The governments of Singapore and Macau SAR encourage local and foreign firms to recruit local residents, as both governments impose a quota on the number of foreign workers. Keeping the governments' requirements aside, organisations in Singapore and Macau practise their own

policies pertinent to hiring, training, motivating, and retaining local and foreign employees (Nachum, 2010).

### **6.12 National education policy: does it really affect HRM in the country?**

In this question, the interviewer asked the participants to share their views on how the national education policy of their country affects the human resource management policies and practices of their organisations.

Four (4) out of five (5) respondents from Singapore believe that businesses in Singapore keep in view the government's policies while designing and formulating their corporate-wide policies and practices. These respondents said that the national educational policy does have an impact on their organisation's HR management practices (Lawrence & Weber, 2014). The first respondent, SG1, indicated that although the policies of the Singaporean government are favourable for the business organisations, these policies are not formulated and made public on time when there is an immense need for them. To counter this drawback, the organisations in Singapore's hotel and hospitality industry take this initiative by themselves.

SG1 reported that their organisation uses its strong links with industry partners and educational institutions to help develop future talent for the hospitality industry (Lingard, 2009; Denzin & Lincoln, 2011). The second and third respondents, SG2 and SG3, have similar views. They identified that their organisations collaborate with academic institutions to offer degrees which build skills and capabilities required for hospitality jobs. SG4, however, did not agree with the previous respondents. SG4 explained that the national education policy of the country has no impact on the human resource management practices of the organisation. The integrated resort industry has taken all initiatives by itself, promoting the gaming and entertainment culture in the country. The role of the national education policy is quite limited in shaping the HR practices of business organisations in Singapore. The fifth respondent, SG5, supported the beliefs shared by SG1, SG2 and SG3. Participant SG5 said that the national education policy has a direct impact on his organisation's HRM practices. Due to the supportive national education policy, the interest of the general public has shifted from other fields towards hotel and hospitality management. Moreover, due to this shift, local residents are encouraged to get academic degrees to pursue careers in this field. This is all because of the favourable national education policy in Singapore.

When the interviewer asked the same question of the participants in Macau, the respondents said the government is now focusing on promoting the hospitality industry of the country. Due to rapid growth in the gaming and entertainment segment, the government has realised that the current educational institutions do not offer enough to meet the desired output requirements of this industry. Therefore, the government is encouraging them, through its national education policy, to introduce related courses and diplomas which can produce talent for this growing industry. In addition to depending on educational institutions and technical centres, hotel and hospitality organisations in Macau are conducting training and development sessions on their own. The organisations are holding in-house training programs for their employees so that they can become equipped with the most advanced skills and capabilities to run hospitality operations in the most effective and cost-efficient way (Aguinis & Kraiger, 2009). MA2 shared that their organisation also provides customised training sessions depending on the individual requirements of each employee. Financially-strong organisations arrange all training and workshops for their employees and get a competitive advantage over their industry rivals (Kozlowski & Salas, 2009).

The comparison of findings from both countries reveals that the governments of Singapore and Macau both encourage business organisations to keep their employees well-trained and equipped with the most advanced knowledge and skills. However, they do not formulate policies with the desired frequency, which makes the organisations feel an unsupportive behaviour from the government. To avoid the risk of losing competitive advantage, organisations arrange their own training sessions and workshops. They also expend huge amounts on outdoor training programs for their employees (Ford, 2014). In addition, organisations from both Singapore and Macau collaborate with their industry partners, including higher educational institutions, universities, technical colleges and others, to design and offer courses which will produce future talent for the hospitality sector. Organisations in both countries believe that the national education policy is not as rapid as it should be to effectively support the growth and requirements of the hospitality industry. Therefore, instead of being totally dependent on the national education policy, organisations strategise by themselves to face the competitive pressures and stand out in the market (Ford, 2014).



### **6.13 Technological and social changes**

In this question, the interviewer asked the respondents to explain how the technological, social and demographic forces present in the industry have brought an impact on the human resource policies and practices of their organisations (Bratton & Gold, 2012).

Three (3) out of five (5) respondents from Singapore reported that their organisations are significantly impacted by these environmental forces (Czinkota, Ronkainen, & Moffett, 2011). The first respondent from Singapore, SG1, believed that their organisation has observed various changes due to the growing impact of social, technological, and demographic forces. It has seen changes in the advertising patterns, and the struggles to find, train, and motivate the talent. The second respondent also explained how these environmental forces impact the HR practices of their organisation (IR2). The most significant impact is brought about by technological forces which will further dominate hospitality operations in the future. The organisations will start using automated robots and innovative support systems for their core operations, which will reduce the need for humans in the industry. The third respondent, SG3, believed that social and demographic factors have affected their organisation's recruitment and retention practices. The organisation also needs technical updates in its current operations, like the installation of payroll systems, information and support systems, and attendance systems. These technical updates will bring heavy financial costs for the organisation. SG4 and SG5 gave opposite views to the former respondents. They believed that their organisations would not allow technology to overcome their core operations. The hospitality sector is recognised for providing excellent customer service and creating memorable experiences. Technology like automated robots and entrance systems cannot take the place of humans in this industry, if the organisation wants to provide first-rate customer service.

Four (4) out of six (6) participants in Macau also believe that technological and social factors have an impact on the human resource practices of business organisations. The respondent MA1 stated that his organisation is implementing technological applications in its training and development programs which it has designed for its employees. This initiative will have a positive impact on the retention rate of employees; they look at these training programs as an attractive and motivating opportunity for personal growth. MA3 and MA5 said that technology is overtaking traditional approaches to HR management in their organisations. They are also using technology in different employment practices in their organisations. The respondent MA5 stated that, although traditional practices still exist which do not use technology at all,

their organisation is willing to shift from traditional to innovative systems in the near future with the aim of achieving more efficiency in its operations. MA6 had different views compared to the other participants from Macau, and is in agreement with SG4 and SG5. Respondent MA6 believed that technology must not replace the need for human capital or a human approach in the organisation. MA6 said that human approach and emotional links are the values which differentiate the successful from the unsuccessful in the hotel and hospitality industry.

The comparison of interviews in both countries shows that most of the participants believe that environmental forces like social, demographic, and technological forces, have a significant impact on the human resource management policies and practices of their organisations. Due to social and demographic factors, the organisations' core HR practices like recruitment, training, motivation, and retention strategies, have changed. Due to the emergence of technology in the hospitality sector, and the business world as a whole, organisations are observing automated support systems replacing the humane approach (Šerić, Gil-Saura, & Ruiz-Molina, 2014). The respondents who did not support this advancement in the organisational practices believed that, although technology is good to improve efficiency in HR practices, it must not replace the functions which are made for humans (Tavitiyaman, Qu, & Zhang, 2011).

#### **6.14 Relationship between corporate and local HRM**

The purpose of asking the next question was to explore whether multinational organisations take their international human resource management policies and values with them when they target a new country, or not. The respondents from both countries presented mixed points of view on the relationship between corporate and local HRM practices in their organisations. Some participants said their organisations do not centralise the corporate level HRM practices to their local offices, while others said their organisations use a balanced approach for their local and international offices.

The first respondent from Singapore, SG1, said that their organisation does not force the local subsidiaries in different countries to adopt corporate HR policies. Respondent SG1 revealed to the researcher that organisation IR1 is the corporate headquarters for the whole organisation within the region. Only the leave policy and ranking structure of employees is in accordance with the corporate policy. All the other policies are designed as per the standards and employment regulations of the host country. These policies include recruitment, compensation,

motivation, training, and retention of employees. The first respondent (SG1) strongly supported the preference of local policies over corporate policies. SG1 believed that their organisation never enforces its local offices to implement the policies that are being practised at corporate level. The second respondent (SG2) stated that their organisation uses a mixed approach to keep a good balance between the local and international HRM practices. The organisation centralises the recruitment, compensation, corporate governance and compliance with the code of conduct for its employees. The respondents SG3, SG4 and SG5 also presented similar views about the link between the corporate and local HRM practices of their respective organisations. Their organisations keep a balance between local and corporate or international policies.

The participants from Macau said that there is no such concept as complete centralisation of international HRM policies and practices in Macau's hospitality sector. The businesses operating in the hospitality industry in Macau strongly believe in the fact that each market has its own business dynamics and unique environmental forces which affect its operations, regulations and policies, in a positive or negative way (Cadle, Paul, & Turner, 2010; Turner, 2014). A business organisation cannot fully incorporate its corporate HR management policies in its local subsidiaries around the world (Turner, 2014). The respondent MA6 from Macau said that the corporate headquarters gives complete flexibility to its local subsidiaries and business units in Macau to formulate their own policies that best match their business landscape.

They are in no way bound to follow the corporate level HR management policies. MA6 believes that adopting the local business environment to formulate and practise independent HR policies ensures good relations with the key stakeholders, including governmental authorities, trade and labour unions and social groups. (Choi & Wang, 2009). Three of the respondents from Macau (MA3, MA4 and MA5) are local residents, while the remaining respondents have joined the hospitality sector of Macau from overseas. Only MA1 and MA2, who are non-residents of Macau, shared that their organisations focus more on their local HRM policies than the corporate-wide policies which have been practised for several years. The remaining four respondents said it all depends on the specific situations which their organisations face intermittently. The organisations try to keep a good balance between the two, while keeping their main focus on following local employment regulations instead of looking at what their corporate policies are.

The comparison of the interviews from Singapore and Macau reveals that hospitality organisations in both the countries do not enforce their corporate policies and practices over the local offices. They centralise some of the core policies which these local offices must follow in all conditions. Apart from those standardised and centralised HRM policies, there is no bounding to follow other policies. The local offices are free to formulate their own policies by keeping in view the national employment regulations, labour laws, competitive pressures and their own industrial relations (Turner, 2014). While keeping a balance between local and corporate HRM policies, the organisations in the hospitality industry of Singapore and Macau first look at the situation and decide what policy will prove to be effective in that situation. However, they always demonstrate flexibility with local policies. The main reason behind prioritising the local policies is their intention to keep good relations with their primary stakeholders, including employees, governmental authorities, labour unions and social groups, which may affect organisations' industrial relations in one way or another (Turner, 2014).

## **Chapter 7**

### **Conclusion**

This research study aimed at explaining and comparing the impact of national employment policies on human resource management and practices in Macau and Singapore's integrated resort and hotel industry. The interviews conducted in both countries reveal that there are some similarities as well as differences regarding the impact of national employment policies on the human resource management practices of the integrated resort and hotel corporations. The data collected for this research study were purely qualitative since they were solely based on 60 minute-length interviews with HR executives from the integrated resort and hotel corporations in Singapore and Macau (remembering here that these interviews were also supported by follow up Q&A). Therefore, the interviewer was able to explore his respondents' opinions and points of view comprehensively. Based on the interviews and discussions and subsequent comparison of the participants' responses from both countries, it can be concluded that national employment policies and regulations have a direct influence on the human resource management and practices of the integrated resort and hotel corporations.

#### **7.1 Qualifications and cultural values**

First, the educational qualifications and cultural values of human resource executives in the integrated resort and hotel industry have a considerable influence on the processes and patterns of translating national employment policies into the human resource management policies and practices of the integrated resort and hotel organisations in which the staffs are employed (Harzing & Pinnington, 2010). Past learning and cultural preferences and values influence the thinking abilities of individuals when they attempt to translate national policies into their organisations' HR policies. A graduate in Law is better able to understand the legislative terms in the national employment policies and can translate them into HR policies in a more effective way compared with a non-law graduate (Colquitt, Lepine, Wesson, & Gellatly, 2011). Education also helps HR executives in their personal grooming and personality development (Ahmed et al., 2010). As stated by Stahl, Björkman and Morris (2012), employees with overseas qualifications translate national employment policies according to their own foreign regulations and attempt to implement them in the local organisation's HR policies, which can have an impact on the organisation's human resource. While translating national policies into

the HR policies and practices of their organisations, employees use their past learning from professional experience as well as from educational degrees (Batt & Colvin, 2011). An educational qualification in HR management is not necessary when HR directors, managers need to undergo the process of national employment policy translation. Rather, they use their experience and past learning for this purpose (Bakker, Tims, & Derks, 2012). The data collected, shows that only 18.1 percent of the respondents can be considered as purely HR trained with a HR degree while the remaining 81.9 percent are non HR trained. The researcher did not expect more than half of the senior HR executives to be from a different background (as in none HR). The other finding was the nationality of the senior HR executives, in the Singaporean context; only two are local residents of Singapore while the remaining executives are from Malaysia. Macau shows the same trait as 50 percent of the respondents are local residents.

In addition to educational qualification and cultural preferences, the personal values and beliefs of the HR executives also influence the way they translate national employment policies into the human resource management policies and practices of their organisations. Among various personal values and beliefs that HR executives incorporate into the human resource management policies of the integrated resorts and hotels, integrity, hard work and equality are the most significant values in the eyes of the HR executives. Compassion, adaptability, hard work, relationships, motivation, team work, ethics and mutual respect are some of the other personal values and beliefs that are important for HR executives to incorporate into the human resource management policies and practices of the organisations they serve (Alvesson, 2012; Dobre, 2013; Motilewa, Agboola, & Adeniji, 2015). The literature, as well as the responses from the participating HR executives in this study, show that integrity and hard work are the leading personal values that influence HR policies and practices in the integrated resort and hotel industry. HR executives always prioritise integrity and hard work in the translation of national employment policies into the human resource policies of their integrated resorts and hospitality organisations (Palanski & Yammarino, 2011). Integrity and hard work are the core values essential for the employees in giving 100 per cent in the workplace (Njoroge & Yazdanifard, 2014).

## **7.2 Mentor**

The findings from the interviews and in-depth discussions with the participating HR executives reveal that mentoring in organisations plays a significant part in the translation of national

employment policies into the HR policies and practices of organisations. Mentors of employees in the hotels and integrated resorts industry influence their values, practices and patterns of job responsibility. Mentors become the biggest source of learning for subordinates or followers in their departments. They help build the knowledge base of their followers by sharing their own knowledge, learning and professional experience (Pan, Sun, & Chow, 2011; Stamm & Buddeberg-Fischer, 2011). In the absence of a mentor, employees do not receive appropriate supervision, which results in poor performance and inefficiency (Allen, Finkelstein, & Poteet, 2011). Mentors, if they provide sincere guidance to their mentees or followers, have a positive impact on the learning, knowledge base and personality development of mentees (Weng et al., 2010). While translating national employment policies into the human resource management policies of their organisations, HR executives take note of the practices and actions of their mentors (both formal and informal) and apply them in the same way, which becomes an organisational ritual or culture (Huey Yiing, & Zaman Bin Ahmad, 2009; Weng et al., 2010). It is shown in the research that educational qualifications, cultural values, personality, individual preferences and beliefs are all supported by the HR executives learning from their mentors. When the HR executives are given the responsibility of translating national labour policies into the human resource management policies and practices of their organisations (Prottas, 2013; Weng et al., 2010).

### **7.3 Nationality**

Organisations in the integrated resort and hotel industry of Singapore and Macau prefer to have national employment policies translated into their HR practices by their local personnel. This practice is preferable since local employees are well versed in the national policies and practices because of their experience, education and practical exposure in the local market. Foreign employees are discouraged in this process because they are not aware of the national employment laws and therefore there is a risk they will translate the national policies according to the law of their home country (Caprar, 2011; Froese & Peltokorpi, 2011). It is also imperative that the HR executives and all other organisational members respect the change in organisation-wide policies that are implemented in accordance with national employment policy. Local organisations in the integrated resort and hotels industry in Singapore and Macau mostly keep their recruitment and selection, appraisals, job rotation and other practices standardised according to corporate practices. However, HR executives prefer local employees to translate the national labour policies in order to avoid circumstances that can cause confusion of the HR practices for the organisation and certain practices that are permitted in the corporate law

abroad but unlawful in the local market (Pieterse, Van Knippenberg, & Van Dierendonck, 2013). Local knowledge and professional experience in the home country enable local employees to understand and effectively apply the national employment policies in the human resource management practices of their local organisations (Boselie, Brewster, & Paauwe, 2009; Caprar, 2011; van Gestel & Nyberg, 2009).

#### **7.4 Education and training**

Organisations also respect national employment policies while designing their HR policies and practices in order to avoid heavy fines and impositions by local governments (Card, Kluve, & Weber, 2010). In addition, organisations must face certain challenges when they have to translate national price policies into their own human resource management practices. For example, the cost of hiring foreign employees in the integrated resort and hotel industry of Singapore and Macau is much higher than the cost of hiring local workers (Santoso & Loosemore, 2013). The overall costs of hiring and skills development of employees are among the most critical challenges for business corporations (Daley, 2012; Kehoe, & Wright, 2013). Therefore, organisations attempt to follow national employment regulations to keep their own operations and practices aligned with the requirements of the government (Card, Kluve, & Weber, 2010). The education and professional training and development of employees also influence the way organisations and their HR executives translate national employment policy into HR management policies and practices (Czinkota, Ronkainen, & Moffett, 2011). The professional experience and on-the-job training and personal development programs arranged by organisations also complement the educational qualification, personal values and cultural beliefs of the HR executives who are given the responsibility of translating national employment policies into the HR practices of their organisations (Motilewa, Agboola, & Adeniji, 2015). Organisations must respect the national employment policies as well as their local HR practices. The HR executives can make changes in these practices when the organisation experience difficulty adjusting to the national employment policies.

#### **7.5 Corporate vision and values**

In addition to respecting the organisational members' values, culture and beliefs, organisations in the integrated resorts and hotels industry also need to include their corporate vision and values while formulating and designing their HR management policies and practices in the local markets. Corporate values and visions have a direct impact on the way organisations perform in the market and achieve objectives through their employees (Youndt, 1996). It is



imperative for organisations to adopt a humane approach when the HR executives formulate and design the HR management policies. The executives must keep in mind the corporate values and vision that the organisation communicates to the stakeholders, including employees, investors, supply chain members, government authorities and regulatory bodies, and customers. An organisation that respects employees' values and cultural beliefs observes that its employees work with more dedication and commitment towards the achievement of organisational goals (Jehanzeb, Rasheed, & Rasheed, 2013). Organisations need to adopt a humane organisational culture in which employees believe in strong collaboration and sharing with their co-workers – all of which helps in the organisation's success and sustainability (Caillier, 2013; Motilewa, Agboola, & Adeniji, 2015). To motivate their employees to work wholeheartedly and with dedication, organisations also need to respect the opinions and points of view of their employees, which will enhance their morale and ultimately contribute to the achievement of organisational goals (Jehanzeb, Rasheed, & Rasheed, 2013). Those organisations that only place importance on their corporate values and vision and ignore their employees' values and beliefs face poor performance standards and low morale of these employees. On one level this causes low satisfaction and motivation levels, on another, high turnover and absenteeism in the extreme. It can be concluded that organisations who believe in equal employment opportunities for local and foreign employees, respect minorities, focus on enhancing employee job satisfaction, value diversity at the workplace and promote a culture of mutual cooperation and sharing will ultimately succeed in achieving their corporate goals and objectives in an effective and efficient way (Forey & Lockwood, 2010; Jehanzeb, Rasheed, & Rasheed, 2013). The HR executives need to align the local organisation's human resource management policies and practices with the corporate vision and values (Chun, Shin, Choi, & Kim, 2013).

## **7.6 The right balance (financial vs performance)**

While it is vital for organisations to respect their employees' values and cultural beliefs, it is also important that they maintain a good balance between financial performance and employee performance. The relationship between employee performance and financial performance has a direct influence on the satisfaction and turnover of employees in an organisation (Inoue & Lee, 2011). From the responses of all participating HR executives from Singapore and Macau, it can be concluded that organisations in the integrated resort and hotel industry in these countries adopt a hybrid approach to the importance of employee performance and financial performance. The HR executives either give more importance to the employees' values, beliefs,

satisfaction and motivational techniques, or human resources adopt a balanced approach in which both employee and financial performance is equally focused upon. The organisations that make substantial financial investments in the skills development, training and motivation of their employees ultimately succeed in the market and gain a competitive edge through their human capital (Jiang, Lepak, Hu, & Baer, 2012; Armstrong & Taylor, 2014; Saeidi, Sofian, Saeidi, Saeidi, & Saaeidi, 2015). Training and skills development of employees improves employees' job satisfaction (Aguinis & Kraiger, 2009). Based on the findings of this research study, it is concluded that organisations need to adopt a hybrid approach and focus equally on employee performance and financial performance in order to observe a steady performance in the marketplace. Organisations also arrange different programs for their employees' skills development and training, which ultimately helps improve these employees' productivity and performance in the workplace (Aydogdu & Asikgil, 2011). Organisations with strong human resource aptitude assess individual employees' training and skills development needs to enhance their skills according to their job responsibilities (Kim, Egan, Kim, & Kim, 2013). The organisations practise job rotation, job enlargement, succession planning and talent development programs to enhance their employees' motivation and overall job satisfaction (Bakker & Leiter, 2010). Organisations in the integrated resort and hotel sector in Macau and Singapore also receive support from the government regarding the training and skills development of the employees in the form of funding and government-sponsored training programs. Governments also encourage local organisations to recruit employees from the local market to support the government in controlling unemployment in the country. However, some organisations in Singapore and Macau do not follow their governments' quota system for foreign workers and implement their own policies regarding the recruitment, training and motivation of their local and foreign workers. Organisations in Singapore and Macau's hotel industry do not entirely depend on national employment policies and labour laws. Rather, organisations practise their own policies and attempt to compete in the market with these policies (Caprar, 2011; Jehanzeb, Rasheed, & Rasheed, 2013).

## **7.7 Policy review**

Integrated resort and hotel industry organisations do not always practise the same policies over the years. They are required to make changes to their practices whenever changes or amendments are carried out by local government. Organisations in Macau and Singapore update their HR policies according to changes made by local government in the national employment policy. Organisational departments review these changes in national employment

policies before they are approved for incorporation into the organisation's HR practices (Haas III, Clifton III, Martin, Jonathan, & Peters, 2014). Organisations of all sizes and scale of operation have to review for their own purposes the changes local government makes in national employment policies (Jehanzeb, Rasheed, & Rasheed, 2013). Organisations must adhere to the national employment policies even if they have a strong brand image or brand name, a huge scale of operations and strong market competitiveness (Martin & Scarpetta, 2012). Essentially, organisations need to adhere to the governmental regulations and national employment policies so that they can operate in the country in a legal fashion (Cadle, Paul, & Turner, 2010). Some organisations exceed government expectations by offering exceptionally good services while others just meet the standards set by the government (Reed, Shedd, Morehead, Pagnattaro, & Cahoy, 2013). Organisations that ignore national employment regulations and labour policies risk the imposition of heavy fines or punishment by their labour bureau. Moreover, organisations' HR policies are affected by environmental forces such as social and technological forces. These forces influence their recruitment, motivation and training practices for employees. Advancements in technology have affected the hospitality industry in both positive and negative ways (Bilgihan, Okumus, 'Khal' Nusair, & Joon-Wuk Kwun, 2011).

## **7.8 Final analysis and limitations**

The findings derived from the research have shown that corporate intervention into the formulation of local policy is negligible. All respondents indicated that corporate headquarters do not enforce corporate HR policy in local organisations since corporate headquarters understands that to operate in the host nation, local and domestic legislation must be implemented. This dispels the researcher's notion that corporate directives could be a new dimension in the three-dimension framework. However, this study's research on the impact of national employment policy did expose an underlying cause that organisations should be exploring, the different treatment of local residents and foreign employees in the workplace could have an impact on future morale and performance. It is evident from the research that all respondents indicated that promotion, succession plans and certain positions are reserved for local residents. This can be an area for further research.

The research findings indicated strong institutional isomorphism (coercive and normative) in the policy translation process for the organisations in both Singapore and Macau. There are

many similarities in the government’s approach to the labour issue due to the scrutiny both governments are facing. The quota system that was imposed respectively in both countries have caused the organisations in Singapore and Macau to look to the local residents as an avenue of manpower source, the Macau SAR government went a step further in reserving managerial positions within the IR&H for local residents. The difference between Macau and Singapore on the foreign labour quota is that, Singapore’s policy did not decree that certain position are reserved. In doing so the Singaporean government have indirectly given the IR&H leeway in foreign labour employment, the organisations in Singapore can employ foreign labour for any position as long as the integrated resort and hotels are employing local residents. The table below shows the number of foreign employees versus local residents.

**Table 7.1 Foreign worker vs local resident worker chart**

<b>Number of local resident employees</b>	<b>Number of foreign employees that can be employed</b>
1	1
3	2
5	3
6	4
8	5
9	6
100	66
1000	666

Source: Ministry of Manpower

Based on the number of 1000 local residents, the organisation will be able to employ 666 foreign workers, the 1000 locals are Singaporeans and permanent residents with no specification on their job level. Whereas in Macau, the local residents need to fill up the managerial roles and the organisations then have to adhere to the labour quota that is specify by the SAR government. This strict labour quota system have also resulted in a humane HRM

within the organisations in Macau where the training and retention programs in the IR&H are more developed in contrast to the Singaporean counterparts. The data collected can be used by the IR&H sector to determining the relationship between HR qualification and HR managerial performance.

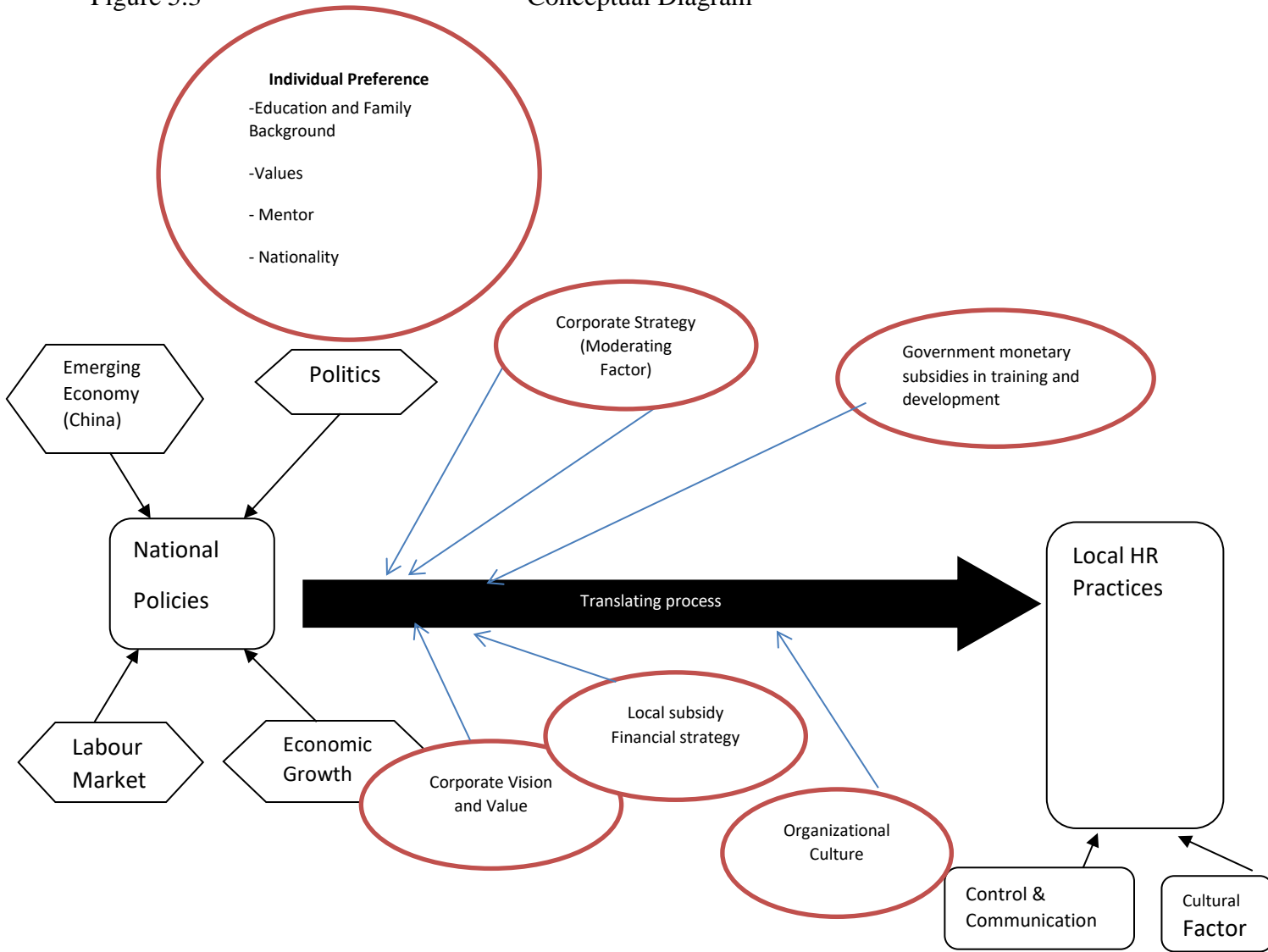
Some limitations can hinder the process or results of the research. One example of this is the danger of bias creeping into interviews, largely because, as Selltitz, Jahoda, Deutsch and Cook (1962, p. 583) point out, 'interviewers are human beings and not machines, and their manner may have an effect on respondents'. Therefore, the process will be monitored for signs of bias by regularly questioning the practice and reflecting on the data (Bell, 2010, p. 170). The answers by the interviewees can be politically correct due to the nature of the participants which can skewed the data.

In addition to this, limited accessibility to primary data, such as corporate policies and interview subjects, could have a detrimental effect on the outcome of the study. Therefore, a network of academic contacts in Macau is to be established, thereby tapping into the network within the integrated resort and hotel industry in Macau and Singapore. The researcher will be tapping into personal network of friends to obtain referral to meet the potential participants and to build up a relationship with them; this would enable the subject and the researcher to have mutual trust and understanding which is beneficial to the research.

Institutionally in Singapore there have been limited research on integrated resort due to their domestic establishment only taking place in 2010, although clearly there is far more depth of research on Singapore hotels due to their long establishment on the island. This historical limitation will pose a challenge for the researcher. Hotel research and publication is far more mature than the integrated resort but the publications are disparate.

Figure 5.3

Conceptual Diagram



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