# *Implementing a Performance Management System in Small and Medium-Sized Enterprise Factories in the Pearl River Delta of China*

KWOK Wing Wo, Martie

A dissertation submitted for the degree of

Doctor of Business Administration

Business School

University of South Australia

2016

ACKNOWLEDGEMENTS

I dedicate this dissertation to my beloved and cheerful wife Winnie for her enduring support, keen encouragement and ardent effort to facilitate and enable me to complete this masterpiece of work.

I am indebted to my supervisor Dr Davey Yeung for his insightful inspiration and comments, and to Dr Marguerite Kolar for her great help and care, and useful and discerning feedback.

Sincere thanks are given to all course mates of the DBA Programme for collaborative effort, mutual support and strategic sharing to make the DBA study a success.

Gratitude must be given to Deb and Judy of UniSA, and Michael and Ada of Kaplan for their earnest help, advice and support throughout the study.

# ABSTRACT

This study aims to investigate and explore two practical methods to implement change to set up a performance management system for small and medium-sized (SME) factories in the Pearl River Delta of China. These two methods were:

i) formulating the change in fit (consistence/congruence) with the vision, mission and values (VMV) of the factory (see below under Hypothesis 1 for more details about the concept 'in fit with the VMV') to enable commitment to change among employees; and

ii) adoption of Kotter's 8-step model of change implementation.

The research is conducted in view of the following:

I) SME factories in the Pearl River Delta nowadays face a number of challenges and difficulties.

II) A PM system enhances the staff performance and human capital of these SME factories, which in turn can enhance organisational performance to cope with these challenges and difficulties.

III) This study tests the application of two methods [*i) formulating the change in fit with the VMV of the factory to enable commitment to change among employees; ii) adoption of Kotter's 8-step model of change implementation*] to set up a PM system in SME factories in China. Both i) and ii) have been reported with positive results in literature in the West, but not tested in SME factories in China. The findings provide new evidence and references on the application of these two practical methods to implement change to set up a PM system in SME factories in China.

IV) There is lack of literature on organisational change management or implementation of a PM system in SME factories in China, and there appears to be a research gap in these subject areas in SME factories in China. Under this paucity of literature, there is an added value for this study. Findings from this study fill this research gap and enrich the literature.

In order to address the central research objectives, longitudinal studies were conducted in two Chinese SME factories. The two SME factories adopted Kotter's 8-step model in a pilot implementation of a PM system with the aim to improve employees' job satisfaction, employees' performance, and labour productivity.

There are three hypotheses in the research study:

H1: *The fit of the change with the VMV (vision, mission and values) of the factory is positively related to the commitment to change among employees.*

H2: *The perceived implementation success of the PM system among managers is positively related to that among employees.*

H3: *Implementation of a PM system enhances job satisfaction among employees.*

For H1, 'fit of the change with VMV of the factory' refers to a change being implemented that is in fit (consistence/congruence) with the VMV of the factory. It is posited that a change should be formulated in fit with the VMV of the factory. Managers should clearly establish the link between the VMV of the factory and the change being implemented, and clearly communicate this link to employees. Employees' understanding of this link can enable their support of and commitment to the change.

If H1 is supported, this provides a way to address the lack of commitment to change among employees.

For H2, if the perceptions of implementation success among managers (implementers of change) and employees (recipients of change) both yield positive data, and the data from managers and employees are positively related to each other, this will empirically validate the effectiveness of the implementation of the change process and the change model (Kotter's 8-step model) adopted.

For H3, it is well supported from the literature that job satisfaction has a positive effect on employee job performance. In addition, a positive attitude towards the job reduces turnover

and absenteeism. If H3 is supported, it shows the benefits of implementing a PM system in relation to job performance among employees.

The key research methodology in this study is a quantitative approach. A total of 4 survey questionnaires were used to collect data in three time points:

- pre-intervention stage (before the start to implement a PM system in a pilot);
- intervention stage (4 months' time in pilot implementation of a PM system among half of the staff); and
- post-intervention stage.

The factory management also provided qualitative data about the adoption of Kotter's 8-step model to supplement the findings from the questionnaires.

The findings support H1, but do not support H2 and H3.

The finding in relation to H2 is important. There was a high mean yielded from the measure of managers in both factories. This shows implementers of change (managers) considered the PM system had been largely implemented successfully. However, findings from recipients of change (employees) in both factories show they thought differently. Findings and analysis show there might have been insufficient effort by managers during the implementation.

Another important finding is that adopting a change model is not guaranteed to lead to the success of the change.

In response to the findings, there are suggestions to improve the implementation to set up a PM system in SME factories in China in the last chapter of the dissertation.

This research study makes the following contributions:

1) This research study:
    a) Confirms that formulating the change in fit with the VMV of the factory can enable commitment to change among employees. This provides a way to address the lack of commitment to change among employees.
    b) Provides empirical evidence on the application of Kotter's 8-step model to implement change to set up a PM system in SME factories in China. The findings show that adopting a change model is not guaranteed to lead to success of the change.
2) The findings provide novice evidence and empirical references on implementation of change to set up a PM system in SME factories in China as a way to cope with the challenges and difficulties these factories are facing now. The findings also show the necessity of sufficient effort, input and support from the management, especially the managers who implement the change.
3) In view of the lack of literature on organisational change management or implementation of a PM system in SME factories in China, findings in this research study fill a research gap, add empirical data and enrich the literature.

# TABLE OF CONTENTS


ACKNOWLEDGEMENTS i
ABSTRACT ii
TABLE OF CONTENTS vi
LIST OF APPENDICES x
LIST OF TABLES xi
LIST OF FIGURES xiii
CHAPTER ONE: INTRODUCTION AND RATIONALE 1
1.1. Aims of This Research 1
1.2. Need and Value of This Research 4
1.2.1. Challenges and Difficulties Faced by SME Factories in Pearl River Delta 4
1.2.2. Two Practical Methods to Implement Change Not Tested in SME Factories in China, and Paucity of Studies about SME Factories in China in the HRM, PM and Organisational Change Management Literature 8
1.3. Conclusion of Chapter 12

CHAPTER TWO: LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT 13
2.1. Enabling of Employees' Commitment to Change through Formulating the Change in Consistence/Congruence with Vision, Mission and Values of the Organisation 14
2.1.1. Commitment to Change 15
2.1.2. Vision, Mission and Values (VMV) 19
i) Vision 19
ii) Mission 21
iii) Values 22
2.1.3. Summing up for Vision, Mission and Values (VMV) 23
2.1.4. Fit (Consistence/Congruence) of Change with VMV of the Organisation in relation to Commitment to Change among Employees 24
2.1.5. Hypothesis 1 26
2.2. Organisational Change Management 27
2.2.1. Organisational Development 27
2.2.2. Common Change Models 29
2.2.3. Summary on Change Models 36

2.2.4. Organisational Change Process 37
2.2.5. Implementation Success 38
2.2.6. Hypothesis 2 42
2.2.7. Search in Literature for Studies on Organisational Change Management in SME Factories in China 43
2.3. HRM, PM, and Enhancement of Job Satisfaction through a PM System 44
2.3.1. Human Resource Management (HRM) 44
2.3.2. Performance Management (PM) 50
2.3.3. Review of PM Studies in China 56
2.3.4. PM System and Job Satisfaction 64
2.3.5. Hypothesis 3 66
2.3.6. Determinants of Job Satisfaction 67
2.3.7. Ruling out Other Determinants of Enhancing Job Satisfaction 68
2.4. Evaluation of Job Performance of Employees by Direct Supervisors, Labour Productivity of Employees, and Employee Turnover and Absenteeism 69
2.4.1. Brief Ideas about Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism 70
2.4.2. Determinants of Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism 72
2.4.3. Ruling out Other Possible Determinants of Enhancing/Improving Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism 78
2.5. Conclusion of Chapter 80

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY 85
3.1. Overall Research Design 85
3.1.1. Pre-intervention Stage 86
3.1.2. Intervention Stage (four months; by means of a pilot) 86
3.1.3. Post-intervention Stage 87
3.2. Longitudinal Studies 88
3.2.1. Overview 88
3.2.2. Generalisability and Number of Cases in Longitudinal Case Studies 90
3.3. The Two Factories 95

3.4. Quantitative Research Approach 99
3.4.1. Quantitative Hypothesis Testing 99
3.4.2. Administration of Questionnaires 100
3.4.3. Overall Research Methodology 101
3.4.4. Data Gathering 103
3.4.5. Quantitative Data Analysis for Hypothesis Testing 104
3.5. Ethical Issues 106
3.6. Research Tools 106
3.6.1. Hypothesis 1 106
3.6.2. Hypothesis 2 108
3.6.3. Hypothesis 3 113
3.7. Supplementary Quantitative Data on Benefits of Implementing PM System 114
3.8. Pre-research and Post-intervention Meetings with Factory Management 116

CHAPTER FOUR: FINDINGS AND ANALYSIS 119
4.1. Findings in Pre-intervention Stage 119
4.1.1. Situations of Two Factories 120
4.1.2. Results of Survey of Job Satisfaction 120
4.1.3. Analysis of Data in Survey of Job Satisfaction 123
4.1.4. Summing up of Two Factories in Pre-intervention Stage 124
4.2. Findings for Hypothesis 1 125
4.2.1. Data Collected from Survey 126
4.2.2. Pearson Co-efficient and Linear Regression 128
4.2.3. Analysis of Data from Survey 130
4.2.4. Summing up for Hypothesis 1 134
4.3. Findings for Hypothesis 2 137
4.3.1. Managers 137
4.3.2. Employees 140
i) Analysis of Data from Survey on Employees 141
ii) Summary of Findings of Surveys on Employees 151
iii) Possible Areas of Insufficient Effort by Managers during Implementation from Findings of Surveys on Employees 154
4.3.3. Summary of Perceived Implementation Success among Managers and among Employees 157
4.3.4. Summing up for Hypothesis 2 162
4.4. Findings for Hypothesis 3 185
4.4.1. Analysis of Data in Job Satisfaction Surveys 186

i) Data in Both Factories in Post-intervention Job Satisfaction Survey 186
ii) Analysis of Data in Plastics Factory in Pre- and Post-intervention Job Satisfaction Surveys 187
iii) Analysis of Data in Machinery Factory in Pre- and Post-intervention Job Satisfaction Surveys 189
4.4.2. Summing up for Hypothesis 3 190
4.5. Findings of a) Evaluation of Job Performance of Employees by Direct Supervisors; b) Labour Productivity of Employees, and c) Employee Turnover and Absenteeism 193
4.5.1. Overall Findings 193
4.5.2. Ruling out Possible Determinants of a) Job Performance of Employees, b) Labour Productivity of Employees, and c) Employee Turnover and Absenteeism Other Than Implementation of the PM System 195
4.5.3. Summing Up 197
4.6. Conclusion of Chapter 198

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS 200
5.1. Fit of Change with VMV of the Organisation and Commitment to Change 200
5.2. Organisational Change Management 201
5.2.1. Support from Management 202
5.2.2. Communication 204
5.2.3. Training 208
5.2.4. Change Participation 211
5.2.5. Employees' Emotions and Feelings 213
5.3. Adoption of a Change Model in Blended Approach 215
5.4. Support from Human Resource Department/Division in Implementation of Change 216
5.5. Conclusion 217
5.6. Limitations and Implications for Future Research 219

REFERENCES 224

LIST OF APPENDICES

Appendix 1 275
Measure of i) fit of organisational change with vision, mission and values (VMV) of organisation, and ii) correlation and linear relationship with employees' commitment to change for Hypothesis 1

Appendix 2 276
Measure of Perceived Implementation Success for Managers for Hypothesis 2

Appendix 3 277
Measure of Perceived Implementation Success for Employees for Hypothesis 2

Appendix 4 278
Measure of Job Satisfaction for Hypothesis 3

Appendix 5 279
Information Sheet to Participants

Appendix 6 281
Invitation Letter to Participating Factories

Appendix 7 283
Form filled in by Factory Management on Aggregate Summary Data on Employees' Performance

Appendix 8 284
Vision, Mission and Values of Two Factories

LIST OF TABLES


| | | |
|---|---|---|
| Table 1: | Summary of the Research Methodology | 101 |
| Table 2: | Tools/Methods Used in Testing Hypotheses | 105 |
| Table 3: | Pre-intervention Data from the Two Factories | 119 |
| Table 4: | Results of Pre-intervention Job Satisfaction Survey | 121 |
| Table 5: | Analysis of Data from Pre-intervention Job Satisfaction Survey | 123 |
| Table 6: | Data Collected from Survey on Fit with VMV and Employees' Commitment to the Change | 126 |
| Table 7: | Overall Mean, Standard Deviation and Cronbach's Alpha for Data from Survey on Fit with VMV and Employees' Commitment to the Change | 127 |
| Table 8a: | Means, Standard Deviations, Cronbach's Alpha and Pearson Coefficient for H1 | 128 |
| Table 8b: | Linear Regression for H1 | 128 |
| Table 9: | Data on 'Fit of Organisational Change with VMV of Organisation' Under Questions 1-2, and 7-10 | 130 |
| Table 10: | Data on 'Employees' Commitment to Change' under Questions 3-6, 11-14 | 132 |
| Table 11a: | Summary of the Data for H1 from Two Factories---Overall Mean, Overall Standard Deviation, Cronbach's Alpha, *t* test *p*-values and Pearson Coefficient | 135 |
| Table 11b: | Summary of the Data for H1 from Two Factories--- Linear Regression | 135 |
| Table 12: | Data from the Survey on Managers on Perceived Implementation Success | 139 |
| Table 13: | Data from the Survey on Employees on Perceived Implementation Success | 141 |
| Table 14: | Analysis of Data from Survey on Employees on Perceived Implementation Success | 141 |
| Table 15: | Rescaled Responses of Measures of Managers and Employees | 157 |

Table 16: Summary of Overall Mean and Overall SD in Measures of Perceived Implementation Success 157

Table 17a: ANOVA for Questions under Measure of Employees 158

Table 17b: Kruskal-Wallis Test for Questions under Measure of Managers 159

Table 17c: Welch Test for Questions under Measure of Managers together with Questions under Measure of Employees 159

Table 18a: ANOVA for Questions on 'Achievement' and 'Completion' (Q.1-4 and 7-8) under Measures of Employees 161

Table 18b: Welch Test for Questions under Measure of Managers together with Questions Q.1-4 and 7-8 under Measure of Employees 161

Table 19: Overall Data on Post-intervention Job Satisfaction Survey 185

Table 20: Data from Each Question in Post-intervention Job Satisfaction Survey 186

Table 21: Data on Job Satisfaction for Each Question in Pre-intervention and Post-intervention Stage for Plastics Factory 187

Table 22: Data on Job Satisfaction for Each Question in Pre-intervention and Post-intervention Stage for the Machinery Factory 189

Table 23: Summary of Job Satisfaction Data 190

Table 24: Data on Employee Performance, Productivity, Turnover and Absenteeism 194

Table 25: Total Values of Export in Dongguan City During Research Periods 196

LIST OF FIGURES


| | | |
|---|---|---|
| Figure 1: | Research Design and Framework | 81 |
| Figure 2: | Measure of Job Satisfaction | 120 |
| Figure 3: | Measure of Hypothesis 1 | 126 |
| Figure 4: | Measure of Perceived Implementation Success for Managers | 138 |
| Figure 5: | Measure of Perceived Implementation Success for Employees | 140 |

# CHAPTER ONE
# INTRODUCTION AND RATIONALE

## 1.1. Aims of This Research

This research study *Implementing a Performance Management System in Small and Medium-Sized Enterprise Factories in the Pearl River Delta of China* investigates and explores two practical methods for small and medium-sized enterprise (SME) factories in the Pearl River Delta of China to implement change to set up a performance management (PM) system. This research topic was chosen because of the challenges and difficulties faced by SME factories in the Pearl River Delta of China.

The two practical methods to be investigated and explored in this study includes i) application of formulating the change to fit [in consistence/congruence] with the vision, mission and values (VMV) of an organisation so as to enable the commitment to change among employees, and ii) adoption of a change model (Kotter's 8-step Model) to facilitate the implementation of change to set up a PM system. There have been studies in both i) and ii) with positive results in literature in the West. However, both i) and ii) are not tested in SME factories in China (discussed in Section *1.2.2.*).

It is widely believed that the PM system contributes to enhancement of job performance among employees (Aguinis, 2009; Boselie et al., 2005; Costigan et al., 2005; Kinicki et al., 2013; Lee and Jimenez, 2011; Taylor and Beh, 2013). The PM system is considered a tool within Human Resource Management (HRM) practices to build up and strengthen human resources and capital. PM aims to motivate employees to improve performance, firstly at the level of individuals, then at the level of the organisation (Behn, 2002; Campbell, 2015; Moynihan, 2008). Linking rewards and incentives with clearly defined and measurable goals, PM can direct employees to act in the interests and desires of the organisation. Thus,

PM has impact on organisational performance and outcome (Poister et al., 2013; Walker et al., 2011), contributing to enhancement of the organisational capacity and competitive edge (Armstrong, 2009) to cope with the challenges and difficulties these SME factories are facing in the Pearl River Delta of China.

In order to examine outcomes at the level of individuals under PM, this research study compares survey findings on job satisfaction[1] among employees before and after implementation of a PM system in 2 SME factories in the Pearl River Delta of China. Moreover, this research also undertakes comparison of aggregate summary data on evaluation of employee performance by their direct supervisors before and after implementation.

To examine organisational outcomes, a comparison of aggregate summary data on labour productivity and employee turnover collected from the factory management before and after implementation of the PM system is made. Labour productivity, defined as the total output divided by the labour input (Guthrie, 2005; Huselid, 1995), is an essential organisational outcome (Datta et al., 2005; Wang and Shyu, 2008), and a commonly used productivity measure (US Bureau of Labour Statistics, 2004). Given the impact of

[1] Studies have shown that PM system has a positive relationship with employees' job satisfaction, while job satisfaction is positively correlated with job performance among employees.

Here are studies showing:

a) PM system has a positive relationship with employees' job satisfaction.

*Burney and Swanson (2010); Gupta and Upadhyay (2012); Hall (2008); Harber (1998); Rompho and Siengthai (2012)*

b) Job satisfaction is positively correlated with job performance.

*Chen and Liu (2012); Edwards and Bell (2008); Fu and Deshpande (2014); Gu and Siu (2009); Hira and Waqas (2012); Iqbal et al. (2012); Judge et al. (2001); Springer (2011); Yang and Hwang (2014)*

employee turnover (including high cost to replace employees, loss of talents, and years of training and development of employees) on an organisation (Mitchell et al., 2001), many scholars including Davidson et al. (2010), Long et al. (2014), Rogg et al. (2001), Sun et al. (2007), Tian-Foreman (2009) and Yang et al. (2012) refer employee turnover as an organisational outcome.

There are ways to rule out possible determinants other than the implementation of the PM system that might have enhanced job satisfaction among employees, employee performance, labour productivity and employee turnover in the research period (discussed in Section *2.3.7.* and Section *2.4.3.* in Chapter Two).

To sum up, this research study aims to test two practical methods to implement change to set up a PM system in SME factories in the Pearl River Delta of China to cope with the challenges and difficulties these factories are facing now. Moreover, there is lack of literature in organisational change management or implementation of a PM system in SME factories in China, and there appears to be a research gap in these subject areas in SME factories in China (discussed in Section *1.2.2.*). Also, there is a comment that '(HRM) studies on Chinese SMEs are scarce' (Newman and Sheikh, 2014, p. 414), and calls have been made to conduct more studies in HRM in SMEs in China (Cunningham, 2010; Lamond and Zheng, 2010; Newman and Sheikh, 2014). Under such paucity in literature, there is an added value for this study. Findings from this study fill the research gap and enrich the literature as related. Lastly, the findings in this study will provide novice evidence, and practical and empirical references for the industry players and managers of the SME factories in the Pearl River Delta of China to implement change to set up a PM system.

## 1.2. Need and Value of This Research

There are two justifications concerning the need and value of this research. One is from the challenges and difficulties the SME factories in the Pearl River Delta are now facing. A PM system contributes to enhance staff performance and human capital of these SME factories, which in turn can enhance organisational performance to cope with these challenges and difficulties. Another one is that the two practical methods to implement change to be tested in this study have not been tested in SME factories in China. The findings contribute to novice practice for the industry players who wish to implement a PM system in SME factories in China. Moreover, as stated before, there appears to be a research gap in PM and organisational change management in SME factories in China. There is an added value for this study that the findings will fill the research gap and enrich the literature as related. These justifications are detailed in the following:

### 1.2.1. Challenges and Difficulties Faced by SME Factories in Pearl River Delta

SME factories in the Pearl River Delta are now facing a number of challenges and difficulties. With the integration of China into the world economy, both external and internal factors, such as globalisation, world financial crisis, technological innovation, demographic and social changes, financial support and entrepreneurship, exert pressures on SMEs[2] in China (Cunningham and Rowley, 2007; Gao and Banerji, 2015; Liu, 2012). The SME factories in the Pearl River Delta have to deal with rising material, labour and production costs (China News Agency, 2014; Financial Times, 2014), labour shortages (Sina Corp, 2015; Singpao Daily of Hong Kong, 2013), and

[2] According to the Small and Medium-sized Enterprises Promotion Law of the People's Republic of China published on 19.02.2003, SMEs in China are grouped into the sectors of industrial, construction, transport and postal service, wholesale and retail, and hotel and restaurant. SME factories are under the sector of industrial in which there should be a maximum of 2,000 people.

Source: State Economic and Trade Commission, State Development Planning Commission, Ministry of Finance, and State Statistical Bureau, the Small and Medium-sized Enterprises Promotion Law of the People's Republic of China, 19.02.2003 (www.stats.gov.cn-10/07/2003).

competition from nearby countries with lower costs (Financial Times, 2014; Sin Chew Daily, 2015).

Since China's entry into the World Trade Organization (WTO) in 2001, there has been an increase in foreign direct investment in China (Adithipyangkul et al., 2009; Li and Khalil, 2006). Under China's accession to the WTO and the influx of foreign direct investment, small and medium-sized enterprises in China not only face more market competition, but also need to observe trade regulations and labour standards in international rules (Cunningham and Rowley, 2008). In the same playing field with large firms both locally and globally (Lin, 2002; Feng, 2002), small and medium-sized enterprises in China operate under considerable pressure.

Ever since 2011, there have been reports about the challenges and difficulties faced by SME factories in the Pearl River Delta. In August 2011, a report by the *Mingpao Daily of Hong Kong* (2011) showed many factory buildings in Dongguan (an important manufacturing centre in the Pearl River Delta) were vacant, and there was a tide of factories closing down in Dongguan at that time. In October 2011, a report by the Central News Agency of Taiwan (2011) showed factories in the Pearl River Delta faced the hardship of shrinking orders, rising material and labour costs, and their already narrow profit margins were further reduced by the appreciating value of the Chinese currency (Renminbi).

On 20 September 2012, the *Financial Times* reported that 'China's factory output remains subdued' (Financial Times, 2012). This article pointed out that 'the Chinese economy is on track to slow further in the third quarter (2012) from its 7.6 per cent growth rate recorded in the second quarter, which was already the slowest pace in three

years'. The *China Times* (2012) reported that, upon the close of the last factory in China of the sports clothing and accessories manufacturer Adidas Group in August 2012, a trend of factories closing down in the Pearl River Delta had begun. According to a report by *China Review News* in December 2012, the number of original equipment manufacturer (OEM) factories in the Pearl River Delta with Hong Kong owners had reduced from 78,000 in 2007 to 32,000 in 2012 (China Review News, 2012).

A report by the *Singpao Daily of Hong Kong* in March 2013 stated that SME factories in the Pearl River Delta were struggling to avoid closing down due to a drop in orders, continuous rise in material and labour costs, and shortage of labour (Singpao Daily of Hong Kong, 2013). A report by the *Hong Kong Commercial Daily* in October 2013 stated that factories in the Pearl River Delta were facing many low-priced orders. The factories were hesitant to take these low-priced orders in view of the possibility of running at a loss if they took the orders (Hong Kong Commercial Daily, 2013).

The Chinese channel of the *Financial Times* published a report titled *Manufacturing Industries Leaving Pearl River Delta?* in February 2014. The report pointed out that, under difficulties in recruitment of labour, rise in wages and production costs, and appreciation in the value of the Renminbi, the competitive edges of the Pearl River Delta were shrinking when compared with other nearby regions (Financial Times, 2014). A report by the China News Agency in June 2014 pointed out that rising production costs had made many Hong Kong-owned factories in the Pearl River Delta move to countries in South-East Asia (China News Agency, 2014).

A report in February 2015 by *Sin Chew Daily* showed that, in face of competition from

South-East Asian regions and outflow of foreign investment, more than 100 factories in the Pearl River Delta stopped production or closed down right after the Chinese New Year in 2015 (Sin Chew Daily, 2015). According to a report in April 2015 by Sina Corp, under different hardship, there was a halt in production in many OEM manufacturers in the Pearl River Delta (Sina Corp, 2015). An article in October 2015 by the *South China Morning Post-Chinese Edition* reported that a series of closing down of electronic factories was underway in the Pearl River Delta of China. This article also pointed out that an outflow of investment from the Pearl River Delta was expected in the coming two years (South China Morning Post-Chinese Edition, 2015).

In a study of the competitiveness of SMEs in China and India, Singh et al. (2010) suggested that SMEs in both China and India should develop HR initiatives to cope with the tough and challenging times they were facing. In summing up their study on 205 family firms in China, Kim and Gao (2010) asserted that, in the face of increasing challenges, HRM was particularly important for the survival and growth of Chinese firms, including SMEs. In a study to develop a growth appraisal system for SMEs in China, Gao and Banerji (2015) have suggested the need of HRM for SMEs in China to survive and grow in a fiercely competitive environment.

Management literature both in the West (Armstrong, 2009; Dessler and Tan, 2006; Ferguson and Reio, 2010; Gupta and Upadhyay, 2012; Huselid et al, 1997; Souza Freitas et al., 2011) and China (Bjorkman and Fan, 2002; Bozionelos and Wang, 2007; Ngo et al, 2008; Wang and Wang, 2008; Wang et al., 2007; Zheng et al., 2006; Zhao and Du, 2012) has shown a positive link between HRM and PM practices and the business performance and outcomes of an enterprise.

The Western literature has demonstrated the importance of HRM and PM practices to

the business performance and outcomes of SMEs. Carlson et al. (2006) found a positive link between the use of performance appraisals and sales growth in 168 family-owned SMEs. A study by Sels et al. (2006) showed a positive relationship between the HRM system and profitability in small firms. Another study by Kotey and Slade (2005) showed HRM supports growth in successful SMEs. The study by Ait-Razouk (2011) showed that high performance work system had a positive impact on the organisational performance of SMEs.

In China, results in a study by Zheng et al. (2009) on the performance effects of HRM practices in 74 Chinese SMEs showed in general a positive link between the adoption of HRM practices and firm performance. The findings on 194 high-technology SME firms in China by Li and Khalil (2006) showed HRM could foster a firm's technological innovation and its performance. From the study on 81 hotels, including SME hotels in China by Sun et al. (2007), it was showed a positive relationship of HR practices to organisational productivity and employee turnover.

To sum up, the SME factories in the Pearl River Delta are now facing different hardship and difficulties. HR initiatives such as setting up a PM system can be a way to help these SME factories to cope with these hardship and difficulties.

### 1.2.2. Two Practical Methods to Implement Change Not Tested in SME Factories in China, and Paucity of Studies about SME Factories in China in the HRM, PM and Organisational Change Management Literature

This research study investigates and explores two practical methods to implement change to set up a PM system in SME factories in China. This practical method

includes i) application of formulating the change to fit [in consistence/congruence] with the vision, mission and values (VMV) of an organisation so as to enable the commitment to change among employees, and ii) adoption of a change model (Kotter's 8-step Model) to facilitate the implementation of change to set up a PM system. As will be discussed in Chapter Two, there have been studies in both i) and ii) with positive results in literature in the West. However, no studies in either i) or ii) were found in the literature in SME factories in China during a search in Emerald and EBSCO in April 2016 *(see the search in Emerald and EBSCO in the later part of this section)*.

Cunningham (2010) argues that people management in SMEs in China is an 'under-researched area' (p. 2120). In a literature review of HRM research on SMEs in China, Cunningham and Rowley (2010) pointed out that 'the research on HRM in SMEs in China is sparse, limited' (p. 331), and 'little attention has been paid to study of HRM in SMEs in China' (p. 319).

In a review of empirical studies of HRM in China, Lamond and Zheng (2010) stated that HRM is an emerging discipline in China and urged more researchers to develop a comprehensive picture of HRM practices in China. From their review, Lamond and Zheng (2010) identified HRM practices in SMEs as one of seven important streams for future research in the area of HRM in China (p. 14). In a recent study of best HR practices in SMEs in China, Newman and Sheikh commented that '(HRM) studies on Chinese SMEs are scarce' (Newman and Sheikh, 2014, p. 414).

There have been research studies on organisational change management in China, including Alas et al. (2009, 2012), Chen et al. (2012), Pihlak and Alas (2012), Tang et al. (2014), Woo (2007) and Xie et al. (2013). However, a literature search (conducted

in April 2016) through Emerald and EBSCO[3] shows that there are very few studies on organisational change management or implementation of a PM system in SMEs in China.

The search in Emerald and EBSCO produced a total of 191 academic studies on SMEs in China published in the period from 1 January 2000 to 30 April 2016. There were 15 studies found on HRM (no exploratory investigation of PM was found in all these HRM studies), 1 study on organisational change management, while no study focusing on PM. The studies on HRM and organisational change management are as follows:

i) HRM: Cai et al. (2014); Cunningham (2010); Cunningham and Rowley (2007) and (2010); Gao and Banerji (2015); Kim and Gao (2010); Lamond and Zheng (2010); Li and Khalil (2006); Newman and Sheikh (2012) and (2014); Singh et al. (2010); Tang et al. (2013); Wang (2008); Zheng et al. (2006) and (2009)
ii) Organisational Change Management: Newman and Zhao (2008)[4]

From the above, it appears there is very little literature that particularly focuses on PM and organisational change management in SMEs in China.

The study by Newman and Sheikh (2014) on best HR practices in SMEs in China surveyed 345 CEOs of SMEs across China. The result showed that a performance appraisal (PA) system was in widespread use in around 58 per cent of these SMEs, in

[3] Emerald and EBSCO are recognised publishers of management research with comprehensive and updated databases which can show large numbers of titles on the management subject matter to be searched (Hallencreutz and Turner, 2011).

[4] This only study (Newman and Zhao, 2008) on organisational change management found in the search in Emerald and EBSCO was on implementation of an IT system of enterprise resource planning using a process model in two SMEs (both in retail chain business) in China.

limited use in 29 per cent, and not in use in 13 per cent. Given that PA systems are still not in widespread use in many SMEs in China and there is very little literature about PM and organisational change management in SMEs in China, the findings of this research study can provide essential empirical evidence and references for SMEs in China, particularly SME factories, that plan to implement a PM system.

To sum up, for the two methods to implement change to be tested in this study, there were no studies found in the literature in SME factories in China during the search in Emerald and EBSCO[5]. Findings from this research study provide novice evidence and references to the application of these two practical methods to implement change to set up a PM system in SME factories in China.

Moreover, there is little literature about SMEs in China in the areas of HRM, PM and organisational change management. There appears to be a research gap in organisational change management[5] or in implementation of a PM system[6] in SME factories in China. Under such paucity in literature, there is an added value for this study. Findings from this study fill the research gap, add empirical data, and enrich the literature in the subject areas on HRM, PM and organisational change management about SME factories in China.

[5] As stated in footnote [4] above, the only study (Newman and Zhao, 2008) on organisational change management in SMEs in China found in the search in Emerald and EBSCO was on implementation of an IT system of enterprise resource planning using a process model in two SMEs (both in retail chain business) in China.

[6] As reported earlier in this section, there was no study found on PM in SME factories in China in the search in Emerald and EBSCO.

## 1.3. Conclusion of Chapter

SMEs have been playing an important role, making a substantial contribution to the economic growth of China (Cardoza et al. 2015, Cunningham and Rowley, 2010; Gao and Banerji, 2015; Newman and Sheikh, 2014; Zheng et al., 2009). In view of the challenges and difficulties faced by SME factories in the Pearl River Delta nowadays, this study on *Implementing a Performance Management System in Small and Medium-Sized Enterprise Factories in the Pearl River Delta of China* was conducted.

Moreover, this research study tests the application of two practical methods to implement change to set up a PM system in SME factories in China. Also findings from this research study fill the research gap, add empirical data, and enrich the literature related.

For this research study, longitudinal studies in two SME factories in the Pearl River Delta of China were conducted. These two factories faced challenges and difficulties[7] of rising production costs, shrinking orders, and narrowing profit margins resulting from the appreciating value of the Chinese currency Renminbi. These two factories aimed to implement a PM system to improve the job satisfaction among employees, their performance and the labour productivity. Such improvements contributed to enhance performance, firstly at the level of individuals, then at the level of the organisation of the two factories to cope with the challenges and difficulties they were facing.

[7] There was a pre-research meeting each with the management of the two factories. In the meeting, management of the two factories described some general facts about the factories (including the organisation, products, number of staff and their profiles), the challenges and difficulties they were facing, the aims of implementing the PM system in the factory, and their adherence to adopt Kotter's 8-step Model to implement the change.

# CHAPTER TWO

# LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

This research study *Implementing a Performance Management System in Small and Medium-sized Enterprise Factories in the Pearl River Delta of China* aims and focuses on investigating and exploring two practical methods for the SME factories in the Pearl River Delta of China to implement change to set up a PM system. The study is centred in the following main research question:

> *Can the two methods of change implementation (i. formulating the change in fit with the VMV of the factory to enable commitment to change among employees; ii. Kotter's 8-step model of change implementation) which have been reported with positive results in literature in the West be applied to change implementation to set up a PM system in SME factories in China?*

For the literature review, commitment to change will be discussed first, then followed by formulating the change in consistence/congruence with the organisational vision, mission and values (VMV) to enable employees' commitment to change. Next there will be discussion on change implementation, including organisational change management, adoption of change models, perceptions of the implementation success among managers and among employees, and the implications if both managers' and employees' perceptions are positively related to each other. After that, the benefits of human resource management and performance management will be examined. There will be analysis of enhancement of job satisfaction among employees upon implementation of a PM system. This enhancement of job satisfaction will be measured in this study to support the benefits[8] of

[8] In this research study, aggregate summarised data will be obtained from the two factories on a) evaluation of job performance of employees by direct supervisors, b) labour productivity of employees, and c) employee turnover and absenteeism before and after implementation of the PM system. If there is improvement in the post-implementation data, this would provide supplementary information on the benefits of implementing a PM system in addition to enhancement of job satisfaction.

implementation of a PM system. Three hypotheses will be developed and presented during the discussion.

## 2.1. Enabling of Employees' Commitment to Change through Formulating the Change in Consistence/Congruence with Vision, Mission and Values of the Organisation

'Change is ubiquitous' (Brunton and Matheny, 2009: P.600). Organisations continually embark on change programmes (Vakola and Nikolaou, 2005). Change is one of the constants of an organisation as it responds to changing economic, market and operational situations (Hallencreutz and Turner, 2011; Judge and Douglas, 2009). The capacity for change is critical for survival of an organisation (Elias, 2009; Kotter and Schlesinger, 1979; Welch, 2005).

There is extensive literature on change, however, most change initiatives are not successful (Grady and Grady, 2013; Higgs and Rowland, 2010). Research with high evidence has shown that the attitudes and behaviour of employees towards an organisational change are important predictors of the success of the change (Abrell-Vogel and Rowold, 2014; Armenakis, 1993; Armenakis and Harris, 2009; Chen et al., 2012; Herold et al., 2007; Smollan, 2006).

Commitment to change, 'an important change-related psychological reaction' (Chen et al., 2012; p. 51), is regarded as closely related to the supportive attitudes and behaviour of employees towards the change (Abrell-Vogel and Rowold, 2014; Herscovitch and Meyer, 2002; Meyer et al., 2007; Seo et al., 2012). It is widely accepted with high evidence that commitment to change among employees facilitates implementation of an organisational change (Abrell-Vogel and Rowold, 2014; Chen et al., 2012; Cheng et al., 2007; Herold et

al., 2007; Jaros, 2010; Jing et al., 2014; Meyer et al., 2007; Parish et al., 2008). As Neubert and Cady (2001), Paton and McCalman (2000), and Robinson and Griffiths (2005) put it, successful and effective implementation of change depends on committed employees.

### 2.1.1. Commitment to Change

Herold et al. (2007) contend that commitment to change 'reflects not only positive attitudes toward the change but also alignment with the change, intentions to support it, and a willingness to work on behalf of its successful implementation' (p. 943). Jing et al. (2014) assert that commitment to change reflects 'an internalisation of a change programme into the employee mindset' (p. 1100). Jaros (2010) views commitment to change as an 'action commitment' (p. 80) with an emotional bond to the change (a dynamic process), involving personal involvement and behavioural intent to support the goals and intentions of the change. With supportive attitudes and behaviours, commitment to change can result in 'a positive and proactive behavioural intent towards the change' (Herold et al., 2007, p. 943). Thus, Jaros (2010) contends that commitment to change is a key to the success of a change initiative, and Abrell-Vogel and Rowold (2014) assert that commitment to change is a strong predictor of the success of a change initiative. The findings of Herscovitch and Meyer (2002) show commitment to change is a better predictor of behavioural support for a change than organisational commitment.

Herscovitch and Meyer (2002) refer to commitment to change as 'as a force (mind-set) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative' (p. 475). Herscovitch and Meyer (2002) assert that commitment to change can lead to discretionary behaviour among employees facing change. They distinguish between focal behaviour and discretionary behaviour

among employees facing change (Herscovitch and Meyer, 2002). Focal behaviour (or compliance) refers to employees complying with explicit requirements in a change and performing to meet the minimum possible standards (Gellatly et al., 2006). Discretionary behaviour is a more active form of support for the change (Bouckenooghe et al., 2014). It involves employees championing the change, and putting in extra effort to accomplish the objectives of the change. In championing the change, employees place trust in the outcomes of the change, and promote the benefits and value of the change to others (Adil, 2016). Discretionary behaviour is essential to implementation of a change (Bouckenooghe et al., 2014). According to the findings of Herscovitch and Meyer (2002), commitment to change can lead to discretionary behaviour.

Research has shown that lack of commitment to change among employees has been one of the major factors leading to failure of change projects (Chen et al., 2012; Cheng et al., 2007; Herscovitch and Meyer, 2002; Parish et al., 2008). On the other hand, however, as Shelton et al. (2011) put it, employees who are committed and motivated tend to perform better and accomplish more during a change process. From the literature, the studies by Herscovitch and Meyer (2002) and Meyer et al. (2007) indicated that commitment to change significantly predicted behavioural support (compliance, cooperation and championing) for the change. Cunningham (2006) showed that commitment to change helped to increase the abilities of employees to cope with the change, and thus reduced their turnover intentions. The study by Ford et al. (2003) showed that commitment to change positively predicted desired behaviour in a change. Both the study by Chawla and Kelloway (2004) and the study by Neves and Caetano (2009) indicated that commitment to change was positively related to employees' trust in the management during a change. The study of Parish et al. (2008)

supported the proposition that commitment to change was positively related to implementation success.

In China, the study by Chen et al. (2012) on change in three Chinese state-owned enterprises showed that commitment to change was positively related to change in employees' desired performance during the transition. The study by Jing et al. (2014) in China showed commitment to change was negatively related to turnover intention during an organisational change. The findings of Liu (2016) in China showed that teachers' commitment to change resulted in their 'engaging in change activities in schools' and 'collaborating with school administrators in implementing change' (p. 8). Findings from Ning and Jing's (2012) research into large-scale changes in China indicated that commitment to change was negatively related to emotional exhaustion. The study of Yang and Segal (2005) in Taiwan showed commitment to change was positively related to employees' supportive behaviour during the change.

Herscovitch and Meyer (2002) put forward a theoretical expectation that commitment to change should impact on change-related attitudes and behaviours. Jaros (2010) used the term 'compatibility hypothesis' (p. 87) to refer to this theoretical expectation about the outcomes/consequences/impact of commitment to change. In a critical review of findings from organisational behaviour literature on commitment to change, Jaros (2010) commented that 'The findings from these studies (on compatibility hypothesis) have been generally supportive' (p. 87). Jaros (2010) further commented that 'the outcomes research appears to be on somewhat firmer theoretical footing. The compatibility hypothesis is proving to be a solid conceptual basis upon which to build models hypothesizing C2C's impact on change-related outcomes' (p. 90). Jaros (2010) concluded that findings in the literature 'generally support the compatibility hypothesis related to outcomes' (p. 92). From the review by Jaros (2010) and a number of studies

which showed the positive outcomes/consequences/impact of commitment to change both in the West and in China, the literature is quite consistent, with ample evidence that commitment to change is positively related to change-related attitudes and behaviours, which facilitate the implementation of the change (Neubert and Cady, 2001; Neves and Caetano, 2009; Paton and McCalman, 2000; Robinson and Griffiths, 2005) and ultimately the likelihood of implementation success (Parish et al., 2008).

Given the importance and benefits of commitment to change, there are a number of studies on the antecedents of commitment to change. Many researchers advocate adoption of HR strategies such as participation, communication and management support to boost employees' commitment to change through increasing their involvement, their understanding of the change's relevance to their values, and identification with the goals and benefits of the change (Chawla and Kelloway, 2004; Chen et al., 2012; Luo et al., 2016; Meyer and Allen, 1991; Meyer and Herscovitch, 2001; Wanberg and Banas, 2000). Some suggest improving employees' thinking about change and their commitment to change through training (Abrell-Vogel and Rowold, 2014; Chen et al., 2012; Herold et al., 2007; Herscovitch and Meyer, 2002). Caldwell et al. (2004) and Fedor et al. (2006) emphasise that there should be benefits for and positive impacts on employees during the change so as to facilitate their commitment. Some researchers advocate the positive effect of transformational leadership on followers' commitment to change (Abrell-Vogel and Rowold, 2014; Herold et al., 2008; Seo et al., 2012; Yu et al., 2002). In brief, as Jaros (2010) has commented, different factors have been hypothesised as antecedents of commitment to change with variant findings. The exploration to determine what factors lead to commitment to change will continue.

Parish et al. (2008) advocate making the change in consistence/congruence (fit) with

the vision of an organisation to enable commitment to change among employees. Parish et al. (2008) assert that if employees perceive that an organisational change initiative is in consistence/congruence (fit) with the vision of an organisation, such perception would enable the commitment among employees towards this change initiative. Parish et al. (2008) have showed that 'fit (consistence/congruence) of the change with the vision of the organisation' is positively related to 'commitment to the change among employees'.

This research study will expand the scope of the study of Parish et al. (2008) to include two additional items, mission and values. The new study will measure if 'fit (consistence/congruence) of the change with the vision, mission and values (VMV) of the organisation' is positively related to 'commitment to the change among employees'. The findings will contribute to the exploration to determine what factors lead to commitment to change.

Now comes the discussion of VMV in the next part of the literature review.

### 2.1.2. Vision, Mission and Values (VMV)

**i) Vision**

Vision refers to the picture of the future and the desired status that an organisation wishes to work towards and to achieve (McLean, 2006; Noe, 2005; Yamauchi, 2001). While in the literature there are many definitions of vision, most agree that vision refers to the desired ideal of the organisation's activity (Garcia-Morales et al., 2006; Rahimnia et al., 2011). Vision helps to create the identity of the organisation, to unite members of the organisation, and to promote commitment and a sense of belonging at all levels (Landau et al., 2006). Thus, vision serves as 'a unifying motto and shared

goals' (p. 102) for all members of the organisation to work towards (Foster and Akdere, 2007).

Kenny (1994) asserts that people need dreams to survive and prosper, while Rahimnia et al. (2011) contend that organisations with future ideals can react proactively to the changing environment. Thus, vision can motivate employees, and align organisational processes and activities towards the desired future state of the organisation (Foster and Akdere, 2007). An attainable and worthy vision, according to Yoeli and Berkovich (2010), helps to enable the organisation to excel with greater success in the long run.

A study by Kantabutra and Avery (2010) of retailing companies in Sydney and Bangkok showed that vision was important in inspiring and motivating employees, and in increasing job satisfaction among employees. Levering and Moskowitz (2002) reported similar findings on employee satisfaction in their study of the vision statements of Fortune's 'Best Companies to Work For'. Baum et al. (1998) found that utilisation of vision statements was directly related to the venture growth (sales, profits, employment and net worth) of architectural woodwork firms in their study.

A vision can play an important role in the strategic change management and planning of an organisation (Baum et al., 1998; Poeth, 2003). Cummings and Worley (2005) assert that in organisational change, vision can contribute to motivating employees, developing support for the change, and sustaining the momentum. A study of change by Finkelstein et al. (2008) indicated that revitalising its vision facilitated Harley Davidson to revolutionise its products and to regenerate itself to win back its market share. With its basis on the core values and objectives of an organisation, vision possesses strong power to drive change (Rahimnia et al., 2011).

**ii) Mission**

McLean (2006) refers to mission as 'the organisation's purpose or reason for being' (p. 265). While a vision describes a future state, a mission elaborates on how it will be achieved. A mission statement may also describe where a firm is headed, its goals, how it plans to get there, the priorities, the beliefs of the firm, and how it is distinctive (Abrahams, 1995; Ireland and Hitt, 1992; Sattari et al., 2011).

Campbell and Yeung (1991a, 1991b), in their Ashridge Mission Model, put forward that a mission statement serves four functions for an organisation: purpose (reasons for existence of the organisation); strategy (direction of business, competence and competitive edge); behaviour standards; and values (moral principles and beliefs of the organisation). Thus, a mission serves to explain to employees and to enable them to understand the philosophies, intents, purposes and strategic directions of the organisation (Bart, 2004; Bart et al., 2001; Darbi, 2012).

There are studies showing the benefits of a mission statement to the organisation and its influence on employees. Bart et al. (2001) showed that mission statements had a positive impact on the behaviour of employees which in turn had a positive effect on the financial performance of the organisation. In Analoui and Karami's (2002) study, 67 per cent of CEOs revealed that mission statements were essential in enhancing the performance of their organisation. The study by Bartkus et al. (2004) on USA, Japanese and European businesses showed that mission statements could drive high levels of inspiration and motivation of employees.

Given mission can drive motivation and drive employees towards strategic directions, scholars including Bartkus et al. (2004) and Sattari et al. (2011) advocate that mission

contributes to leading and driving change among employees. Verma (2009) has advocated that, mission, together with vision, is a powerful strategic tool to drive behaviour of different people in an organisation to join together towards a central theme (this central theme definitely includes a change programme).

**iii) Values**

Values, according to Mirabile (1996), refer to the fundamental beliefs and assumptions which guide individual behavior and judgements. People are characterised by their values which influence and direct their actions and choices (Hofstede and Bond, 1984). For an organisation, values reflect its most defining characteristics, and the beliefs and attitudes that govern the norms and standards of acceptable behavior in the organisation (Hassan, 2007).

Schein (2004) asserts that organisational values are beliefs among employees about what the organisation stands for, and its intrinsic worth and appeal which employees take pride in. Values form the essential constituent of the organisational culture (Armstrong, 2009; Hatch, 1993; Sinha, 1995), bond people together, encourage commitment, and guide and facilitate the desired work behavior and outcomes (Mirabile, 1996).

Values serve to make people committed to goals, projects and tasks that give meaning to their lives, and affirm who they are (Cohen, 2011). According to Selmer and Littrell (2010), work, as a primary source of income, a base of our social status and participation, and a key role in one's life, is supported by our values. While motivation drives behaviour, values motivate (Selmer and Littrell, 2010). People are motivated to obtain or retain what they value. According to Furnham et al. (2005), there is positive

affective disposition in people's values which can have a pervasive influence on their work commitment.

There have been different studies showing that employees' values affect their organisational commitment and work performance (Finegan, 2000; Glazer et al., 2004; Kirkman and Shapiro, 2001; Wasti, 2003; Wong and Chung, 2003). According to Kotter and Heskett (reported in Sullivan et al., 2001) value-led companies outperformed others with four times faster revenue growth, and 7.5 times higher profit performance. In China, studies by Liu (2003), Tsui et al. (2006) and Xin et al. (2002) have shown the positive link between organisational values and company business outcomes.

There are cases where values have been utilised to drive change. Jick and Peiperl (2003, p. 222) reported that in a re-engineering programme in a distillery in Canada new values were created to drive and foster a new culture of teamwork, innovation and customer focus. Roux (2009) reported that a global metal manufacturing company combined new values with existing values to form seven simple qualities which all staff could understand and live up to. A survey in 2008 by the company showed 70 per cent of respondents felt they had a 'passion for results', 68 per cent said 'we deliver on our promises', and 72 per cent believed 'they work towards clear quality objectives' (Roux, 2009, p. 5).

### 2.1.3. Summing up for Vision, Mission and Values

Vision, mission and values (VMV) are related to each other and always bundle together (Bartkus et al., 2004; Causon, 2004) and come in a 'package' (Forbes and Seena, 2006, p. 411). The literature has shown the positive link between VMV and business

outcomes. Cases presented by Fowles and Edwards (1999), and Causon (2004) showed there were improved business results, higher employee commitment, and more desired work behaviour after the organisations adopted VMV. There are also findings on VMV facilitating change. In the study of Causon (2004), it was found that City and Guilds in the UK made use of VMV to facilitate a change initiative to re-brand and reposition the organisation to become a world-leading provider of qualifications and learning support.

To sum up, VMV can bring out commitment, motivation and inspiration in employees and other stakeholders of the organisation, having an important influence on employees and driving their performance and behaviour (Forbes and Seena, 2006; Kakabadse and Kakabadse, 2001). Given the above, VMV can definitely be utilised to facilitate and drive change.

### 2.1.4. Fit (Consistence/Congruence) of Change with VMV of the Organisation in relation to Commitment to Change among Employees

#### i) The Study by Noble and Mokwa (1999)

Noble and Mokwa (1999) use the term 'fit with vision' to describe that a strategy being implemented is in consistence/congruence with the overall direction (vision) of the organisation. To enable such perception of 'fit with vision' among employees, it is essential that managers clearly establish the link between the overall direction (vision) of the organisation and the strategy being implemented, and communicate well this link throughout the organisation (Noble and Mokwa, 1999).

Employees' perception of the 'fit with vision' will help them understand how the strategy being implemented is linked to the organisation's overall direction. Such understanding will help employees to support the strategy being implemented (Noble

and Mokwa, 1999). An understanding of how a strategy is linked to the overall direction (vision) of an organisation influences the employees' commitment to the implementation of the strategy. Noble and Mokwa (1999) showed there was a significant association between 'fit with vision' and commitment to the strategy being implemented.

**ii) The Study by Parish et al. (2008)**

Basing on the ideas and findings of Noble and Mokwa (1999), Parish et al. (2008) asserted that if employees perceived that an organisational change initiative was in consistence/congruence (fit) with the vision of an organisation, such perception would enable the commitment among employees towards this change initiative. Parish et al. (2008) showed that 'fit (in consistence/congruence) of the change with the vision of the organisation' was positively related to 'commitment to the change among employees'.

**iii) Expanding the Study by Parish et al. (2008) to Include VMV**

As discussed before, VMV are related to each other, and always bundle together (Bartkus et al., 2004; Causon, 2004) and come in a 'package' (Forbes and Seena, 2006, p. 411). With adoption of the views of Bartkus et al. (2004), Causon (2004), and Forbes and Seena (2006), the study by Parish et al. (2008) on the fit of the change with the vision can be expanded to include two additional items, mission and values. The new study will become a measure of the fit of the change with the vision, mission and values (VMV) of the organisation. Under the new study, it is hypothesized that fit of the change with the overall direction (vision), the purpose/reason for being (mission), and the defining characteristics and beliefs (values) of an organisation influences the employees' commitment to the change.

Parish et al. (2008) have correlated the 'fit of the change with the vision of the organisation' with the 'commitment to the change among employees' and obtained a

positive result. Similarly, the expanded study of the 'fit of the change with VMV of the organisation' can be correlated with the findings from the 'commitment to change among employees' to see if there is a positive result.

### 2.1.5. Hypothesis 1

On the basis of the literature examined above and the findings presented, the first hypothesis (H1)[9] is proposed:

H1: *The fit of the change with the VMV of the factory is positively related to the commitment to change among employees.*

Findings relating to H1 will contribute to expanding the scope of Parish et al.'s (2008) study, and to enriching the literature about application of formulating the change to fit (in consistence/congruence) with the VMV in organisational change management in Chinese SME factories. Moreover, if H1 is supported by the evidence, this will provide a way to address the issue of lack of commitment to change among employees. Such lack of commitment is regarded as one of the major factors leading to failure of change projects (Cheng et al., 2007; Chen et al., 2012; Herscovitch and Meyer, 2002; Parish et al., 2008).

---

[9] There are other elements enabling/resisting change among employees, for example, according to:

i) El-Farra and Badawi (2012) that understanding of *employee attitudes* towards change contributes to anticipate their reactions to change, and to formulate interventions accordingly;

ii) Kumar and Kamalanabhan (2005) that *personality* plays a role in enabling/resisting change; and

iii) Bernerth (2004) that *low self-efficacy* will bring a negative effect and affect performance in a change, while *high self-efficacy* will bring attention to the demands of the change and prompt more efforts into the change.

However, owing to the constraint in the scope of this research study and the focus of this study on exploring the application of formulating the change to fit (in consistence/congruence) with the VMV of an organisation to enable commitment to change among employees, other elements such as employee attitudes to change, personality and self-efficacy are not explored in this research study.

## 2.2. Organisational Change Management

Helms Mill et al. (2009) define organisational change as alteration of a key aspect of the operation of an organisation. It is widely accepted that organisational change is characterized as a process (Butler and Allen, 2008; Curry et al., 2010; Jansson, 2013; Jian, 2011). Some people believe that organisational change is a process of planned with managed, structured, sequential steps to lead to the desired future state and outcomes (Burnes, 2009; Lewin, 1951). Some view change as an emergent organic process that is evolutionary in nature instead of a series of pre-defined/designed steps (Burnes, 2009; Shanley, 2007). Hallencreutz and Turner (2011) contend that, whether change is planned or emergent, there should be involvement of the organisational change management process/models in the soft side such as people and culture, as well as the hard side such as systems, structures and strategies, during the process of implementation.

### 2.2.1. Organisational Development

Under ever changing business environment and conditions, organisations need to constantly adjust their internal configurations (structures, processes, technology, and culture) to maintain efficiency and competitiveness (Rowland, 2007; Sun, 2000; Wang, 2010). Based on the behavourial sciences disciplines of psychology, human relations, organisational behaviour, and management (Cummings and Worley, 1997), organisational development (OD) is a process of adopting a series of planned intervention strategies to enhance the growth and effectiveness of the organisations and the well-being of its members (Mulili and Wong, 2011; Wang, 2010; Rowland, 2007).

Landy and Conte (2004) advocate that OD is an ‘action-oriented approach providing techniques that work to help an organisation grow or change’ (p. 547). Under OD, there is a toolbox of various methods to affect the change. Wang (2010) comments that the core of OD is planned change. Such change, as Rowland (2007) puts it, enables

organisations to continuously improve, and to respond and cope with the changing business environment and conditions.

Holland and Salama (2010) advocate making the fit between the organisation and its environment to achieve organisational growth. Such fit is emphasized in OD. Porras and Silvers (1991) describe OD as a change programme which creates a better fit of the organisation's capabilities with the demands of its current environments. Moreover, Porras and Silvers (1991) comment that OD involves changes to help the organisation to better fit the future environment which the organisation expects to face. Given OD can enhance the fit of the organisation with its future environment, Mulili and Wong (2011) comment that an organisation can increase its long-term prospects through OD.

Typical features of OD, as suggested by Cusick (2005) and French and Bell (1990), include: i) a planned, intentional and proactive process instead of a reactive activity; ii) an organisation-wide activity, involving the whole or a large part of the organisation; iii) in a top-down approach, being initiated and managed from the top level of the organisation; iv) being designed to enhance an organisation's problem-solving and renewal processes to increase organisational effectiveness; and iv) involvement of change agents or third parties familiar with behavioural science techniques and knowledge (Cusick, 2005; French and Bell, 1990).

On top of these five typical features, Sisaye and Birnberg (2012) advocate the importance of the engagement of whole organisation and the acceptance/buy-in of everyone so as to enable the change to work. There should be participation, employee involvement, consensus building, and ultimately acceptance in the change process. Moreover, Rowland (2007) suggests there should be a champion in OD who has a vested

interest in the organisation. This champion, with support from the senior management of the organisation, can be a very powerful catalyst for change.

Given OD can lead to improvement in organisational performance (Mulili and Wong, 2011; Rowland, 2007; Sisaye and Birnberg, 2012), it is noted that, as commented by Cummings and Worley (2005) and Wang (2010), there is an increasing trend of organisations in China turning to OD to enhance organisational effectiveness and growth. This increasing trend will contribute to enriching the literature in OD in China. Wang (2010) has noted that studies in OD in China have not been documented adequately in the literature.

OD and organisational change are closely related topics. Landy and Conte (2004) comment that while organisational change is a process, a goal or both, OD is a toolbox of various methods to affect the change. Commonly used OD methods include survey feedback, OD retreat, employee summits/gatherings (to disseminate change messages and foster acceptance), training and development programmes, work redesign, change agents, change champions, multi-dimensional communication, and leadership development (Landy and Conte, 2004; Sullivan et al., 2013).

This research study will test application of two methods (formulating the change in fit with the VMV of the factory to enable commitment to change among employees; and adoption of Kotter's 8-step model of change implementation) to set up a PM system in SME factories in China. The focus is on the change process and the result (goal). Hence, this research will be a study on organisational change instead of OD.

### 2.2.2. Common Change Models

Ackerman (1986) puts organisational change into three categories: i) developmental

change — improvement of what already exists through enhancement of skills, methods or conditions; ii) transitional change — current ways of doing things are replaced with something new over a controlled period of time, such as reorganisations, mergers, new services, processes or systems; and iii) transformational change — the most radical change, 'akin to letting go of one trapeze in mid-air … the new state is usually unknown until it takes shape … Most of the variables are not to be controlled, rushed, or short-circuited' (Ackerman, 1986, p. 2). In China, an economy in transition, many enterprises are now undergoing transitional changes (Alas et al., 2012; He et al., 2008).

Three models of transitional change are commonly reviewed in organisational development literature (Stragalas, 2010). These three models are those of Bridges (2003), Schein (2004) and Kotter (1996). Bridges (2003) proposes that there are three main stages of change: 'Ending, Losing, Letting Go; Neutral Zone; and New Beginning' (p. 5). Bridges (2003) asserts that, in change, people will begin with feelings of discomfort and a sense of loss, then they go through a phase of 'psychological realignments and repatternings' (p. 5), and get through the change with 'new identity …, new energy … and new sense of purpose that make the change begin to work' (p. 5). While Bridges (2003) outlines the overall stages in his model, it appears, as Stragalas (2010) has commented, that he has not provided concrete steps for its execution.

Schein (2004) advocates a three-stage change process: unfreezing/disconfirmation; cognitive restructuring (movement); and refreezing. This model is based on Lewin's (1947, 1989) three-stage model. Using analysis of disequilibrium, Schein (2004) contends that change first leads to emotions of anxiety and guilt, then a cognitive restructuring to restore the equilibrium in the new context. During the unfreezing stage,

Schein (2004) asserts that 'some sense of threat, crisis, or dissatisfaction must be present before enough motivation is present to start the process of unlearning and relearning' (p. 324).

Schein (2004) points out that psychological safety must be created so as to enable support for problem-solving and learning in the change process. In addition, sufficient anxiety should exist to prompt people to participate in the change. According to Schein (2004), two conditions are needed for the existence of such psychological safety and anxiety: (1) 'Survival anxiety … must be greater than learning anxiety', and (2) 'Learning anxiety must reduce, rather than increase survival anxiety' (p. 331). To create psychological safety in the refreezing stage, measures such as positive vision, positive role models, a reward system in line with the new model, and employee involvement should be established (Schein, 2004).

While Schein (2004) also outlines the change in three stages, the action steps for implementation are yet to be defined. Moreover, his emphasis on arguably negative emotional situations such as guilt, learning anxiety and survival anxiety may inhibit the change efforts and implementation, and lower employees' adaptability and receptiveness towards the change (Stragalas, 2010).

Ford (2009) has proposed a working representation to supplement the action steps for implementation in the three-stage model of Lewin (1947, 1989) and Schein (2004) as follows:

- *Problem analysis and action planning for the change* (Unfreezing Stage)
- *Development of new skills and capabilities required in the change* (Cognitive Restructuring/Movement Sage)

- *Feedback, management control and monitoring to stabilise the desired behaviour and performance of staff under the improved state and to avoid regression to the previous state* (Refreezing Stage)

Kotter (1996, 2007), after observing the change processes of over 100 businesses of various types and sizes, puts forward an 8-step approach to organisational change as follows.

*Step 1: Establishing a sense of urgency*

The sense of urgency can come from internal or external pressures or problems the organisation is facing. Kotter (1996) asserts that organisational leaders should clearly communicate these pressures or problems to employees to make the urgency well perceived and established among them. If the need for change is not understood, it will be difficult to bring people together to initiate the change (Kotter, 1996). The sense of urgency can enlighten the mind, appeal to the heart, and move people to action right away (Kotter, 2008), and can get the required cooperation with the change (Pfeifer et al., 2005).

*Step 2: Forming a guiding coalition*

Kotter (1996: p. 51) emphasises that change will not succeed if it is directed by a single individual, no matter how great this individual leader is. Kotter (1996: p. 52) stresses a team approach through a guiding coalition which should consist of senior staff of an organisation who have the required power, knowledge, skills, expertise, credibility, leadership and management qualities to formulate, develop and implement the change.

*Step 3: Developing a vision and strategy*

Kotter (1996) stresses that vision is the basis for a successful change and should be 'imaginable, desirable, feasible, focused, flexible, and communicable' (p. 72) so that

the vision can motivate and lead employees to move in the right direction. To create more impact, the vision should be developed by those staff who are affected by the change, or with substantial input from these staff. There should be a strategy, including outlines with steps, timetables and milestones on how to implement the change and achieve the vision (Kotter, 1996).

*Step 4: Communicating the change vision*

Kotter (1996) points out that the key elements for effective communication of the vision include: two-way and ongoing; simplicity; multiple forms; and use of metaphor, analogy and examples. Kotter (1996) also mentions the importance of role-modelling the desired change in the communication. According to Pfeifer et al. (2005), the true power of a change vision cannot be unleashed if people do not understand the goals of the change. The change vision needs to be communicated effectively to staff.

*Step 5: Empowering broad-based action*

Kotter (1996) asserts that empowerment is a fundamental component of successful change in view of the notion that 'employees won't help, or can't help, if they feel relatively powerless' (Kotter, 1996: p. 102). According to Kotter (1996: p. 102), empowering employees involves addressing four obstacles: structures, skills, systems and supervisors. Thus, Kotter (1996) reminds us of the need to eliminate the barriers and obstacles that hinder the move towards the desired vision. Kotter (1996) also advocates empowering staff with the new skills and capabilities required for the change through training and education.

*Step 6: Generating short-term wins and building momentum*

Short-term wins will provide proof that the efforts in the change are worthwhile. Moreover, the short-term wins will neutralise cynics and self-centred opponents, provide an opportunity to reflect on and fine tune the vision and strategy, keep people

on board, and build momentum (Kotter and Rathgeber, 2006, p. 123). Also, the short-term wins will reward the change agents, increasing morale and motivation (Kotter, 1996).

*Step 7: Consolidating gains and producing more change*

Building on the success of the short-term wins in Step 6, the seventh step is taken to change structures, processes and systems not consistent with the desired vision (Kotter, 1996). According to Kotter (1996) the seventh step will contribute to cultivating and identifying talented people who are capable of implementing change and sustaining the desired vision.

*Step 8: Anchoring the new approaches in the corporate culture*

According to Kotter (1996), this anchoring step must be at the end of the change process, not at the start. Once the change is anchored in the corporate culture, performance will be enhanced through new approaches and behaviours (Kotter, 1996), and ensuring that 'employees see how new approaches to satisfying customers, improving productivity, etc, are linked to improved results' and 'the next generation of management personifies the new approach' (Kotter, 1996: p. 67).

Concrete actions are provided for each step (Pfeifer et al., 2005; Sidorko, 2008) of the implementation of Kotter's 8-step model. Farkas (2013) comments that, while there are different types of change frameworks, Kotter's model appears to be flexible and can be applied in a variety of change initiatives. Though the model requires analysis of the organisation's culture so as to develop the vision, the change steps as well as the communication plans, the model does not require a specific culture for the change to happen (Kotter, 1996).

Kotter (1996) advocates that 'successful change of any magnitude goes through all

eight steps, usually in sequence' (p.23). Kelman (2005) has commented that change needs not be in such a rigid approach, instead, 'it can be unleashed' (Kelman, 2005: p.5). However, Nitta et al. (2009), quoting findings of their study on a change programme of school district re-organisation in USA, and findings from testing of Kotter's 8-step model in educational change in the study of Lindahl (1998) and in military transformation in the study of Jeffress (2003), comment that there is evidence supporting the accuracy of Kotter's framework and 'change was not unleashed but had to be led through all eight steps' (p.467).

There are also critiques such as from Kelman (2005) that Kotter's model relies on anecdotal observations instead of rigorous social science. Empirical findings from a review of the literature in a number of studies, however, show that Kotter's model has been applied in managing and implementing transitional organisational change with positive results (Betters-Reed et al., 2008; Bradbury, 2014; Carter, 2014; Farkas, 2013; Guzma'n et al., 2011; Palmer et al., 2006; Sidorko, 2008; Yamakawa et al., 2012). Others such as Shirey (2011) and Gupta (2011) advocate the use of Kotter's model as a tool to manage and implement organisational change.

In a three-main-stage analysis, Sidorko (2008) puts Steps 1 to 4 in Kotter's model together as 'Preparing for Change', Steps 5-7 as 'Change in Action', and Step 8 as 'Grounding the Change' (p. 308). For the three main stages in the change models of Bridges (2003) and Schein (2004), it is observed that, as supported by Stragalas (2010), they are reflected in Kotter's model.

For Ford's (2009) working representation of the three-stage model of Lewin (1947, 1989) and Schein (2004), Kotter's model fits with the working representation as follows:

- ‘Problem analysis and action planning’ in the unfreezing stage are reflected in Steps 1-4 in Kotter’s model.
- ‘Development of new skills and capabilities’ in the restructuring/movement stage is reflected in Step 5 in Kotter’s model.
- ‘Feedback, management control and monitoring’ in the refreezing stage are reflected in Steps 6-8 of Kotter’s model.

Pfeifer et al. (2005) have commented that Kotter’s 8-step model is a logical sequence of actions with comprehensive steps. Palmer (2006) contends that the model provides a framework to judge action required in the change and to benchmark progress. Given its comprehensiveness, in a logical sequence of actions and reflection of the three main stages in the change models of Bridges (2003) and of Schein (2004), Kotter’s 8-step model is one of the most widely used change models (Alas et al., 2012; Stragalas, 2010).

### 2.2.3. Summary of Change Models

Hallencreutz and Turner (2011), in their literature review on organisational change management, contend that ‘the area of organisational change management appears to be in a tangled state without clear boundaries’ (p. 65), and there are ‘no coherent models’ or ‘evidence-based organisational change best practice’ found in the literature (p. 65). This is in line with the conclusions of Turner et al. (2009), who assert that organisations apply different and unique approaches in organisational change management.

In spite of the above, it is widely accepted that change models facilitate implementation (Alas et al., 2012; Bradbury, 2014; Nitta et al., 2009; Øvretveit et al., 2012; Peccei et

al., 2011; Pfeifer et al., 2005), such as in building commitment, fostering communication, engaging and involving staff, empowering staff with the required skills and capabilities, fostering valence and affective feelings, and easing resistance (Kotter and Schlesinger, 1979). As Farkas (2013) puts it, a practical model with logical and structured steps that leaders utilise to create consensus and to enlist support will contribute to the successful implementation of change. This may explain, as Aiken and Keller (2009), and Smith (2011) have commented, change models are frequently applied and utilised in organisational change implementation.

### 2.2.4. Organisational Change Process

Organisational change process is reflected well in the thorough discussion of change models in Sections 2.2.2. and 2.2.3. above. It is widely believed that organisational change process involves three stages. Lewin (1951) puts forward 'unfreeze - change - refreeze'. Schein (2004), basing on Lewin's (1951) three-stage process, proposes 'unfreezing/disconfirmation - cognitive restructuring (movement) - refreezing'. Bridges (2003) advocates 'ending, losing, letting go - neutral zone - new beginning'. Sidorko (2008) puts Steps 1 to 4 in Kotter's model together as 'preparing for change', Steps 5-7 as 'change in action', and Step 8 as 'grounding the change' (p. 308). Sun and Alas (2007), on the basis of Kotter's model, suggest the process of change in Chinese organizations in a three stages of 'unfreezing - moving - refreezing'.

It is noted that there are common features among these three-stage processes suggested by different scholars. In the first stage, there are problem analysis and identification, development of change vision, action planning, and communication of change vision. In the second stage, there is change in action, including development of new skills and capabilities required in the change, empowerment of employees, motivating staff,

handling of resistance, and building momentum. In the third stage, the change is institutionalised and anchored.

There are various approaches suggested in the change models as discussed in Sections 2.2.2. and 2.2.3. above to facilitate the different stages of an organisational change. In this research study, the suggestions under Kotter's 8-step model are tested.

### 2.2.5. Implementation Success

Wind and Robertson (1983) view implementation as the final stage of a strategy process. Noble and Mokwa (1999) consider that implementation is synonymous with control and monitoring. Cespedes (1991) asserts that implementation involves development of specific programmes and execution of these programmes, while Kotter (1997) defines implementation as the process of turning plans into action. From the above, implementation is action or execution oriented with control and monitoring of the process.

Noble and Mokwa (1999) refer to implementation success as 'the extent to which an implementation effort is considered successful by the organisation' (p. 60). Soja (2006) perceives implementation success as 'the completion of assumed goals and implementation scope within a planned time and budget' (p. 649). Pettigrew et al. (2001) assert that the effectiveness of a change process is linked to the successful outcomes from implementation.

Hacker and Washington (2004) assert that there should be a measure of implementation success. Such a measure is an indicator that can validate the effectiveness of the implementation effort and the change model adopted in the process (Hacker and

Washington, 2004). Ford (2009) asserts that, while most organisational change management models include outcomes of the change, it is necessary to evaluate implementation success to assess the change management model adopted in the process.

Miller (1997) contends that equating adoption of the change initiative with implementation success is too simple because adoption might not lead to successful outcomes. Implementation success of planned changes, according to Miller (1997), can be dimensionalised by factors relating to completion, achievement and acceptability. A three-dimensional measure of planned changes is advocated by Miller (1997, p. 583) as follows to comprehensively assess the implementation success:

*Completion*: The degree to which everything intended to be done is completed, within the expected time period.

*Achievement*: The degree to which what has been done performs as intended.

*Acceptability*: The degree to which the means of implementation and outcomes are satisfactory to those involved in, or affected by, implementation.

Ford (2009) adopted Miller's (1997) three-dimensional measure in his study to measure implementation success of planned changes in organisations of different sizes. Ford (2009) commented that Miller's three-dimensional measure was comprehensive and was a relevant measure of implementation success.

Given that employees tend to be recipients (Barratt-Pugh et al., 2013) of a change programme, Miller's third dimension, 'acceptability', is particularly relevant to measure employees' perceptions of implementation success, and, for a change programme, employees' receptiveness to the change.

Hacker and Washington (2004) reviewed the literature on different measures of the implementation success of change projects. They suggested the following six indicators to measure the implementation success of a PM system among managerial staff in the government of Botswana in Africa:

i) well defined key result areas and goals;

ii) well defined objectives;

iii) well defined measurement process;

iv) well established reviews;

v) performance management system (PMS) — responsibilities being defined and visible in different levels of managers/heads; and

vi) established continuous improvement processes.

In addition to being a measurement mechanism of the components, steps, 'desired results' (p. 57) and achievements in implementation of a PM system, Hacker and Washington (2004) asserted that the above indicators could check which part of the change process was lacking. Hacker and Washington's (2004) indicators reflect two of Miller's (1997) three dimensions well, namely 'completion' and 'achievement'. Thus, the measures of Hacker and Washington (2004) are more relevant for managerial staff.

From the discussion above, the literature is quite consistent that there should be a measure of implementation success. Moreover, there are already well-established measures in the literature on perceptions of implementation success among managers and among employees.

In the literature, there are studies that compare the perceptions of managers and employees on implementation of HRM practices (including high performance work

systems; performance assessments; training and learning; and work-life balance). Though these studies do not focus on organisational change, the findings provide empirical references. Both managers and employees had positive perceptions in all these studies found in the literature. There were findings in which the perceptions of managers and employees were correlated (Ismail, 2005; Westerberg and Hauer, 2009). There were also findings in which the perceptions of managers were apparently more positive than employees (Liao et al, 2009; Sánchez-Vidala et al., 2012; Zhu et al., 2013). A search in Emerald and EBSCO (conducted in April 2016) showed that it was hard to find studies on the implementation of HRM practices in which managers' perceptions were apparently less positive than those of employees.

In implementation, Barratt-Pugh et al. (2013) refer to managers as the implementers, and employees as the recipients. Ford et al. (2008) describe managers (implementers) as 'doing the right and proper things' (p. 362). According to Barrat-Pugh et al. (2013), managers carry out the implementation, formulate and determine the strategies, and endeavour to gain employees' support. The employees, as recipients, respond, adapt and evaluate how they are affected by the process (Gioia et al., 1994).

Given managers tend to be the leaders and implementers while employees tend to be followers and recipients, it is asserted that managers' perceptions of their 'baby' (implementation of HRM practices) should not be lower than employees' perceptions. This may be a reason why the search in Emerald and EBSCO (conducted in April 2016) showed it was hard to find studies in which managers' perceptions were apparently less positive than employees' perceptions.

Those studies found in the literature in which managers apparently had more positive perceptions did not provide much information on the reasons for the difference

between managers and employees. Some mentioned that the difference might arise from insufficient communication with employees (Liao et al. 2009; Sánchez-Vidala et al., 2012; Zhu et al., 2013), low transparency of HRM practices to employees (Zhu et al., 2013), and insufficient organisational support for employees and for the HRM practice being implemented (Sánchez-Vidala et al., 2012). Strategies in a change model can be applied to address the above possible reasons for the difference in the managers' and employees' perceptions. The strategies in Kotter's 8-step model, for example, include communication, training and education, employee participation and involvement, and support from management (Kotter and Schlesinger, 1979). It is asserted that, when the above possible reasons for the difference are addressed, employees' perceptions should be closer to those of managers.

### 2.2.6. Hypothesis 2

The second hypothesis of this research study is:

H2: *The perceived implementation success of the PM system among managers is positively related to that among employees.*

If H2 is supported by the evidence and there are positive data from both measures of managers and of employees, this will validate the effectiveness of the implementation and, for the change model adopted in the process,[10] it will support the effectiveness of applying this change model in the implementation.

In her literature review, Cooke (2009) comments that HRM studies in China tend to treat managers as 'the main informants' while 'the voice of employees is largely unheard' (p. 19). Cooke (2009) further points out that in China 'at least two-thirds of

[10] The two SME factories in China in this research study adopted Kotter's 8-step model in implementing a PM system in the factories.

the empirical studies have collected their data from managers, and most of them relied on managers as the sole source for empirical data' (p. 19). Cheung (2008) and Zhu et al. (2013) also comment that in China too often mangers are made the representatives of the employees and employees' voices tend to be neglected. The arrangement under H2 in which perceptions of both managers and employees are measured means that the data collected about the implementation success of the PM system is more representative.

### 2.2.7. Search in Literature for Studies on Organisational Change Management in SME Factories in China

As discussed in Chapter One, there have been research studies on organisational change management in China, such as Alas et al. (2009, 2012), Chen et al. (2012), Pihlak and Alas (2012), Tang et al. (2014), Woo (2007) and Xie et al. (2013). However, a search of the literature (conducted in April 2016) through Emerald and EBSCO shows it is hard to find studies on organisational change management in SME factories in China or studies on adoption of a change model in the implementation of change in SME factories in China. There appears to be a research gap here.

As the SME factories in China in this research study adopted Kotter's 8-Step model in implementing a PM system, this research study provides novice evidence and empirical findings about adoption of a change model in implementation of change in SME factories in China. Moreover, findings from this research study will fill the research gap, and enrich the literature about organisational change management in SME factories in China.

## 2.3. HRM, PM and Enhancement of Job Satisfaction through a PM System

### 2.3.1. Human Resource Management (HRM)

i) Main Beliefs

It is widely accepted that HRM can help improve organisational performance such as improvement in productivity, scrap rates, machine efficiency, financial performance, customer satisfaction and employee turnover. Literature both in the West (Armstrong, 2009; Arthur, 1994; Bae and Lawler, 2000; Bartel, 2004; Batt, 2002; Boselie et al., 2005; Ferguson and Reio, 2010; Guest et al., 2003; Huselid et al., 1997; Rogg et al., 2001; Souza Freitas et al., 2011) and in China (Bjorkman and Fan, 2002; Bozionelos and Wang, 2007; Ngo et al., 2008; Sun et al., 2007; Wang and Wang, 2008; Wang et al., 2007; Zheng et al., 2006; Zhao and Du, 2012) has identified a positive link between HRM and organisational performance.

HRM includes areas in manpower planning and placement, recruitment, selection methods and process, performance management, compensation/incentive, training and development, employee involvement, mechanisms to boost employee morale, job satisfaction, organisational commitment, relationships at work, and employment security (Armstrong, 2009; Becker and Huselid, 1998; Wall and Wood, 2005; Zacharatos et al., 2005). In the words of Storey (1995), HRM is 'a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques' (p. 5).

As supported by Delery and Shaw (2001) and Paauwe and Richardson (1997), HRM can bring out two policy outcomes---financial (such as output of organisation, profits, market share and value) and non-financial (such as motivation, job satisfaction,

turnover, absenteeism). HRM is entrusted with initiatives and practices that enable a high-performance workforce to cope with business needs and change (Toh et al., 2008). Through development of human resource policies, strategies and practices, HRM can support and achieve the following (Albuquerque, 1992: pp. 26–27):

1) Enhancing human talents in the organisation.
2) Attracting and retaining people with high potential and qualifications for the job.
3) Creating favourable conditions to lead to individual motivation and job satisfaction, and to mobilise people and groups towards the organisational goals.
4) Providing incentives which are tied to the business results of the organisation.
5) Enhancing professional development and functional growth in the organisation.
6) Integrating and adapting human resources to fit with the business situations and strategic objectives of the organisation.

According to Singh et al. (2012), there are two streams of study on the relationship between HRM and organisational performance. One stream advocates HRM has a direct effect on organisational performance (e.g. Chand and Katou, 2007; Guthrie et al., 2009), while the other stream asserts that HRM has an indirect effect on organisational performance (e.g. Katou and Budhwar, 2006; Wright et al., 2003). No matter whether the effect is direct or indirect, research has shown HRM is an important component of and has bearing on organisational effectiveness and competitive advantage (Aggarwal and Bhargava, 2009; Ahmad and Schroeder, 2003; Den Hartog et al., 2004; Moideenkutty et al., 2011; Ait-Razouk, 2011).

ii) <u>HRM and Employee Behaviour</u>

HRM practices serve as essential means for an organisation to influence and shape the skills, attitudes and behaviours of its employees to achieve organisational goals (Chen and Huang, 2009). Thus, Nguyen and Bryant (2004) have commented that HRM is

'strategic integration of HR practices into the management and development of employees' (p. 600). HRM is an important communication tool for the organisation to convey its objectives and to influence employee behaviour, performance and outcomes (Takeuchi et al., 2009). In giving clear and direct signals about the norms and values of the organisation, and the expectations of its employees (Ostroff and Bowen, 2000), HRM practices can direct, govern and influence employees towards the desired and valued behaviour in a potentially harmonious manner while also enhancing employees' skills, motivation and engagement (Jiang et al. 2012b; Kang et al. 2012; Prieto and Pérez-Santana, 2014).

Tsui et al. (1997) advocate a reciprocal relationship between the organisation and the employees—when the organisation looks after the employees, the employees will reciprocate and care for the organisation. When an organisation indicates that it will look after the well-being of its employees, the employees will react with more commitment, support and willingness to behave in accordance with the expectations of the organisation (Lambooij et al., 2006; Snape and Redman, 2010). Settoon et al. (1996) argue that positive measures towards the employees by the organisation contribute to creating good relationships with employees who will reciprocate in positive ways.

Tsui et al. (1997) describe this reciprocity as a relationship of social exchange between the organisation and the employees. One way to enhance this social exchange is by HRM practices, for example, through training and development and other measures to foster the career advancement of employees, and through the PM system to enable more equitable compensation among employees. According to Tsui et al. (1997), good HRM practices are perceived by employees as a personalised commitment to them by the organisation. Employees will reciprocate with positive attitudes and behaviour in

the social exchange. The studies of Sun et al. (2007) and of Takeuchi et al. (2007) have shown that HRM practices are positively related to employees' perceptions of social exchange.

Long-term reciprocal relationships are essential to create a motivated, highly skilled and committed workforce (Lambooij et al., 2006). Tsui et al. (1997) have shown that employees will react reciprocally with the desired work behaviour when the organisation invests in this long-term reciprocal relationship. It is widely believed that HRM contributes to this long-term reciprocal relationship.

HRM can also influence the work behaviour of employees through making them feel valued and supported. HRM practices (such as training and development, employee involvement, and managerial time invested in appraising employees' performance) can cultivate a sense of being valued and supported among employees (Rhoades and Eisenberger, 2002; Tansky and Cohen, 2001). According to Browning (2006), when employees feel valued and supported, they will display more commitment, exert more effort and input into their work, and perform more desirable behaviour in line with the interests of the organisation. Committed employees, as Lambooji (2005) and Koster and Sanders (2006) have commented, will cooperate with their co-workers and supervisors, which enhances the productivity and performance of the organisation.

In sum, HRM can affect the abilities, skills and knowledge of employees (Armstrong, 2009; Schuler and Jackson, 1995), and have an impact on their attitudes and behaviour (Aggarwal and Bhargava, 2009; Guest, 1997). As Wright and Boswell (2002) put it, under HRM, there are activities to develop employees' skills and competence, motivation measures such as performance-related pay to promote high levels of

performance, and involvement programmes to ensure the voices of employees can be heard by the management. All contribute to influence employees and foster the desirable work behaviour among employees. It is widely believed that when employee behaviour is in line with the interests of the organisation, this can contribute to organisational performance.

There are studies showing the positive effects of HRM practices on employee attitudes and behaviour, including organisational commitment, job satisfaction, trust in management, personal safety orientation and employee turnover (Allen et al., 2003; Kuvaas, 2008; Wright et al., 2003; Zacharatos et al., 2005). A study by Abstein and Spieth (2014) showed HRM enhanced innovative work behaviour among employees. Ribeiro et al. (2011) showed that HRM practices had a direct effect on improvisation behaviour among employees. The studies by Browning (2006), Chebat et al. (2002) and Jago and Deery (2002) have shown HRM positively influences the service behaviour of frontline employees.

iii) Facilitating Change

Fugate (2012) asserts it is the close relationship between managers and employees built through HRM practices that fosters implementation of change, and reduces resistance. HRM practices such as motivation, communication and employee participation help to influence the emotional reactions of employees towards changes (Doorewaard and Benschop, 2003). Zaccaro and Banks (2004) have commented that through training and development and supportive HRM practices, managers are equipped with the ability, skills and support to manage change. In sum, HRM practices and strategies in communicating, engaging and activating staff in a change process facilitate the change and its implementation (Barratt-Pugh et al., 2013).

iv) Findings on Benefits of HRM

According to Hassan (2010), in the face of keen competition among organisations and various business challenges, human resources are always at the heart of gearing the organisation to respond to the challenges. Through HRM, organisations can gain a competitive advantage (Collins and Smith, 2006; Katou and Budhwar, 2006; Macfarlane et al., 2011). Gill and Meyer's (2011) study of 179 large organisations showed HRM had a positive impact on organisational performance. The study of Katou (2012) on 197 small firms also revealed that HRM policies and practices had a positive effect on the performance of the organisation. In China, a study by Qu and Cai (2011) showed that improved human capital could generate higher productivity among the workforce. Another study by Lin (2012) on 324 firms in China showed that HRM was positively related to firm performance. Two studies, respectively by Lu et al. (2015) and Zhang and Morris (2014) in China showed that high-performance work systems had a positive impact on organisational performance.

In the literature there are many other studies which show HRM can influence organisational performance, give support to an organisation's strategic goals, and enhance the development of organisational competencies (Ferguson and Reio, 2010; Huselid and Becker, 2011; Jabbour and Santos, 2008; Katou and Budhwar, 2010; Kim et al. 2010; Li et al. 2011; Souza Freitas et al., 2011; Rasmussen at al., 2010; Zhang and Li, 2009; Zhao and Du, 2012).

There are also studies showing that HRM enhances organisational commitment, job satisfaction, employee turnover and positive work attitudes. The studies by Gong et al. (2009), Kim and Wright (2010) and Qiao et al. (2009) showed HRM was positively related to organisational commitment. In China, a study by Mao et al. (2013) showed

high-performance work systems had a positive effect on employees' job satisfaction and affective commitment. In a study of 633 employees in 4 organisations in China, Wang et al. (2011) revealed that HRM enhanced employees' organisational commitment, and reduced work withdrawal and turnover intentions. A study by Liang et al. (2012) in China showed HRM practices resulted in more than 10 per cent lower employee turnover than the industry average. Moreover, the studies in China by Jiang et al. (2012a), Wei (2013) and Wei et al. (2011) showed HRM had a positive impact on employee creativity and product innovation.

v) Summing Up

There may be arguments about the effectiveness of investing in people through HRM to improve organisational performance, and it remains difficult to prove such a causal link. However, it is persuasive to assert that happy employees, rather than angry or dissatisfied staff, are more likely to have good performance at work (Alleyne et al., 2006). Empirically, the studies cited above show HRM helps to create value for the organisation by enhancing the efficiency of human resources to support business strategy, to improve organisational performance, to achieve business objectives, and to lead to sustainable results for the organisation (Dufour and Frimousse, 2007; Jabbour and Santos, 2008).

### 2.3.2. Performance Management (PM)

i) Main Beliefs

Human resources and capital are sources of competitive advantage for an organisation. PM is an important tool under HRM for effective management of human resources and for improving the performance of human capital (Armstrong, 2009; Dessler and Tan, 2006; Gannon et al., 2012; Souza Freitas et al., 2011; Zheng et al., 2009).

PM serves to align the performance of individuals with the business goals of the organisation (Campbell, 2015; Decramer et al., 2012; Hellqvist, 2011). Decramer et al. (2012) and Dessler and Tan (2006) interpret PM as a process of setting goals, monitoring performance, giving feedback and training to employees, and then appraising and rewarding them. The process helps to ensure that employees are working toward the organisational goals, making a continuous effort to attain these goals, and gaining job satisfaction in the process. Thus, PM serves as an enabler of organisational performance and outcomes (Moullin, 2003; Risher, 2003).

Employees' performance will improve if they work harder and smarter (Pfeffer, 1998). PM helps to make employees work harder by enhancing commitment, motivation, job satisfaction, rewards and economic gains from high performance (Pfeffer, 1998). Through development of employees' knowledge, skills and competencies, PM can make employees work smarter as well. PM also enables development of competency profiles which support the organisational goals and intentions (Parker-Core, 1996). Such competency profiles will become instrumental in developing the human resources of the organisation required to support and deliver the business goals and results.

PM can be based on behaviour (how work is accomplished) and on results (outcomes produced) (Aguinis and Pierce, 2008). Tung et al. (2011, p. 1289) assert PM performs the following three important functions:

a) Encouraging goal congruence by aligning employees' goals with the goals of the organisation, and communicating such goals of the organisation and the associated strategies to employees;
b) Providing accurate information and means for managers to effectively and efficiently track and evaluate employees' performance; and

c) Providing organisations with a means of evaluation to assess and develop future strategies and operation directions.

Tung et al. (2011; p. 1308) summarise the contributions of PM as follows:

- *Performance-related outcomes*
    - Motivating performance
    - Assisting in achievement of goals
    - Developing a performance-oriented culture
    - Supporting change efforts
    - Providing useful performance feedback to employees
    - Implementing the organisational strategy
    - Ensuring staff commitment to organisational objectives
    - Linking individual performance to business unit performance
- *Staff-related outcomes*
    - Developing staff's skills and knowledge
    - Addressing the concerns of staff
    - Identifying talented employees
    - Rewarding talented employees
    - Identifying poor performing staff
    - Managing poor performing staff.

In brief, PM leads to HRM outcomes (including enhancement of employees' skills/capabilities, motivation and job satisfaction, and staff retention) for enhanced staff performance (Boselie et al., 2005), and ultimately, for sustained organisational success (Aguinis and Pierce, 2008). Walker (2007), from a review of the PM literature, comments that PM is among the greatest contributors to organisational performance.

ii) PM and Employee Behaviour

PM defines, measures, motivates and develops the desired performance of employees in the interests of the organisation (Aguinis, 2009; Cascio, 2006). PM includes joint goal setting between supervisors and subordinates, continuous progress review, frequent communication, feedback and coaching, development programmes for employees, and rewards for achievements (Sahoo and Mishra, 2012). PM aims to motivate employees to improve performance, firstly at the level of individuals, then at the level of the organisation.

At the individual level, Behn (2002) refers to PM as 'efforts to improve the performance of individual employees through personal performance plans, performance appraisals, and the usual collection of carrots and sticks' (p. 20). Using rewards and incentives, PM aligns the employees' goals with those of the organisation. Under PM, employees will seek and determine the best way to accomplish a task according to certain performance criteria (Campbell, 2015). Linking rewards and incentives with clearly defined and measurable goals, PM can direct employees to act in the interests and desires of the organisation. Thus, PM is linked to organisational performance (Poister et al., 2013; Walker et al., 2011). Moreover, at the organisational level, PM can enable performance information to be used during strategic decision making to enhance organisational performance (Moynihan, 2008).

Under clearly defined, specific and measurable goals, employees are able to measure their own performance and to contextualise work efforts (Moynihan and Pandey, 2005). With clarity and certainty about the expectations about work and the performance required, employees will shape and foster their work behaviour towards such expectations (Bowen and Ostroff, 2004). Locke and Latham (2002) and Wood and Locke (1990) have shown that clearly defined goals can motivate employees not only

to apply their existing skills to complete tasks, but also to acquire new skills if their existing skills are not matched to the tasks.

Under PM, employees can continuously improve through feedback and other performance-related information from their supervisors. In the process, performance gaps are rectified while appropriate behaviour is reaffirmed. As a result, the behaviour of employees is more consistent over time with the interests and business needs of the organisation (Haines et al., 2004). A study by Kinicki et al. (2004) showed that specific, frequent and positive feedback could lead to enhanced performance and desired work behaviour among employees.

In brief, through PM, desired work behaviour among employees can be consistently supported and rewarded, while undesired work behaviour is consistently restricted and discouraged (Armstrong, 2009; Reid and Hubbell, 2005).

iii) Facilitating Change

During a change, PM can serve as an enabler to drive the change. Through translating the organizational goals into the desired actions and results, PM is an effective behavioural change tool (Adhikari, 2010; Cheng et al., 2007) which motivates, shapes and directs employees to the desired and valued behaviour to support the change (Risher, 2003). In the process, PM is an important tool to convey the desired and valued behaviour in the change to employees, and provide feedback to encourage and guide employees towards the change (Armstrong, 2009; Cheng et al., 2007). To change the behaviour of employees is essential during an organisational change programme. A PM system facilitates behavioural change among employees through communicating and explaining clearly the required behaviour in the change, and through monitoring

and directing employees to have such behaviour in the process (Simpson and Hill, 2004).

iv) Findings on Benefits of PM

According to Cascio (2006), organisations with formal and systematic PM system are 51% more likely outperform others in financial outcomes, and 41% in additional outcomes including customer satisfaction and employee retention. A study by Robson (2005) showed a PM system contributed to change in employee behaviour and improvement in staff performance. In a study of bank employees in India by Gupta and Upadhyay (2012), the PM system was positively associated with employees' job satisfaction and commitment to the organisation. A study by Buick et al. (2015) indicated that performance management enabled individuals to recognize the desired outcomes and behaviours in an organisational change, and the means to achieve these outcomes and behaviours. The study of Damiani and Recci (2015) showed PM was positively related to a firm's productivity.

Wang and Wang (2008) surveyed 606 managers and executives from 103 firms in 11 different cities and provinces in China. They found that PM had a positive relationship with organisational performance, though the performance management–organisational performance relationship varied across regions. A study by Bozionelos and Wang (2007) of 106 white-collar workers in a Chinese state-owned enterprise showed that Chinese workers had a positive attitude towards individually based performance-related reward systems.

v) Summing Up

There have been comments that performance management may not be easy to undertake, with no 'performance-management cookbook' for people to 'find the recipe

that applies to their agency, and follow the instructions' (Behn, 2002: P. 8). There are also comments that explanations are lacking as to how to make performance management work effectively (Aguinis et al., 2012; Buick et al., 2015). Derven (1990) has also commented that the process of performance evaluation is inherently flawed and it may be almost impossible to perfect it. In spite of the above, if a performance management system works well, it fosters organisational performance (Aguinis and Pierce, 2008; Holbeche, 2003; Moullin, 2003; Risher, 2003), inhibits undesirable behaviours and supports desired behaviours (Armstrong, 2009; Reid and Hubbell, 2005). A PM system is an important tool/method that an organisation can utilise to improve employees' knowledge, skills, competencies, motivation, performance and job satisfaction in alignment with the business and organisational goals (Boselie et al. 2005; Moullin, 2003; Risher, 2003). Moreover, a PM system can be institutionalised in the organisation by means of policies, systems and structures (Moullin, 2003).

### 2.3.3. Review of PM Studies in China

PM is an essential tool and strategy to drive business results (Festing and Knappert, 2014; Lindholm, 2000). Given its importance and usefulness, there have been different types of studies of PM in China. Some studies explore the influence of the cultural contexts of China on the practice of PM, some investigate the PM practices of multinational corporations (MNCs), and some focus on individual aspects of PM in practice, such as the effects and functions of performance appraisals and the benefits of performance-related pay. The review of PM studies in China below includes articles published in the past 15 years since 2000.

i) Studies Related to Influence of Chinese Cultural Contexts on PM Practices

Culture exerts influence in the practice of performance management (Festing and Knappert, 2014; Tsang, 2007). It is widely believed that performance management

practices developed in the West need adjustment and adaptation if applied in China because of the influence of the cultural values of China (Chen and Eldridge, 2010; Cheng and Cascio, 2009; Hempel, 2001; Tsai and Wang, 2013).

Many accept that there is a culture of collectivism prevailing in China (Chen et al., 2016; Festing and Knappert, 2014; He et al., 2004; Tsang, 2007). For performance management under a culture of collectivism, Tsang (2007) asserts that individual interests give way to collectivist interests, and employees are discouraged from placing a high priority on self-interest. Moreover, contextual factors and personal relationships/connections of employees are considered important in evaluation of performance of employees (Festing and Knappert, 2014; Tsang, 2007).

Under collectivism, people tend to accept appraisals taking into factors outside the work performance and work context (Cheng and Cascio, 2009). Individual behaviour is not assessed 'in a vacuum (detached from its environment)' (Cheng and Cascio, 2009: p. 330) without considering the influence of the contexts and situations (Choi et al., 2003; Masuda and Nisbett, 2001). One main consideration is the maintenance of harmony (Chen and Eldridge, 2010). As Cheng and Cascio (2009) put it, people in China tend to take inter-dependence as the basis of their self-identities. People under collectivist culture tend to view performance appraisals more appropriate for developmental rather than administrative purposes (Cheng and Cascio, 2009; Farh et al., 1991; Festing and Knappert, 2014).

There is support to the collectivist culture in PM in China from findings of some studies. The belief that people prefer appraisals to be weighted by actual collective work outcomes rather than individual effort is supported in the study of Cheng and

Cascio (2009). This also supports the notion that people in collectivist cultures tend to attribute performance to contextual or environmental factors. There were similar findings by Festing and Knappert (2014) who found that appraisals were supposed to focus more on team/group than individual performance. The study of Chen and Eldridge (2010) in an MNC subsidiary in China supported that people of collective values placed the emphasis on the group, and they tended to prefer rewards on the basis of equality so as to maintain in-group harmony.

In China, there is prevalence of high power distance (Carl et al., 2004; Festing and Knappert, 2014). In a culture of high power distance, the communication tends to be top-down from the superior to the subordinate, and is less likely bottom-up from the subordinate (Chen and Eldridge, 2010; Cheng and Cascio, 2009). It is considered not appropriate for someone in lower positions (subordinates in a workplace) to express opinions against those in higher positions (Cheng and Cascio, 2009). It is widely accepted that under collectivist and high-power distance cultures, communication tends to be indirect and implicit (Chen and Eldridge, 2010; Cheng and Cascio, 2009; Festing and Knappert, 2014). High power distance contributes to less involvement and participation of the employees being assessed in the performance management (Festing and Knappert, 2014).

In a high uncertain-avoidance culture in China, employees tended to follow and obey instructions from supervisors (Chen and Eldridge, 2010; Cheng and Cascio, 2009). They also assume supervisors possess the knowledge and expect supervisors would provide clear and unambiguous instructions. Thus, employees tend not to take the initiative to discuss issues about the appraisals with supervisors (Chen and Eldridge, 2010; Cheng and Cascio, 2009). Festing and Knappert (2014) have commented that

high power distance in China leads to less participation and involvement of subordinates in the process, and appraisals primarily are from superiors.

There were mixed findings from the studies regarding the high power distance and high uncertainty-avoidance cultures in China. The preference to have direct and precise feedback and instructions from the top (someone with the authority and knowledge) was supported in the study of Cheng and Cascio (2009). It was believed that someone at the top could clarify issues when ambiguity arose. Moreover, people in high positions were expected to provide feedback and instructions.

The study of Chen and Eldridge (2010) had similar findings. They pointed out that employees in an MNC subsidiary in China expected that supervisors possessed the knowledge and would provide clear instructions. Employees tended to follow and obey instructions from supervisors. However, the study of Tsai and Wang (2013) in Chinese state-owned enterprises found employees wanted to be involved in the design of the performance appraisal systems, which was contrary to the generally held view of a top-down and less participative management style under collectivist and high-power distance cultures.

The findings of Tsai and Wang (2013) showed the collectivist and high-power distance cultures in China contributed to the avoidance of direct confrontation, harmonious relationship and respect for authority among employees. As a result, employees tended not to openly express opinions and kept communication indirect and implicit. There were similar findings by Chen and Eldridge (2010) who found the existence of the taboo of speaking against someone in higher positions. However, such indirect and implicit communication was not supported in the study of Cheng and Cascio (2009).

Under collective and high-power distance cultures, Chen and Eldridge (2010) pointed out that there was low feedback from the managers to their subordinates. However this was not supported in the study of Festing and Knappert (2014).

In China, under the traditional cultural value of *guanxi*, personal relationships/connections are an important performance evaluation criterion (Bai and Bennington, 2005; Bjorkman and Lu, 1999; Festing and Knappert, 2014). Contextual factors are important consideration when firms evaluate employees' performance (Festing and Knappert, 2014; Tsang, 2007). In addition to output-oriented, there is a high importance of network- and teamwork-oriented in the performance evaluation criteria in China (Festing and Knappert, 2014).

In a study by Gu and Nolan (2015), the influence of *guanxi* practices was found weak in a foreign-owned bank in China. Gu and Nolan (2015) examined the influence of *guanxi* practices on performance appraisals in three banks (a state-owned bank, a foreign-owned bank and a city commercial bank) in China. The *guanxi* practices were strongest in the state-owned bank, and weakest in the foreign-owned bank. Employees in the state-owned bank adopted out-of-work socialising with supervisors to obtain better performance ratings. In the foreign-owned bank, the procedural transparency in performance appraisals, the highly competitive and performance-oriented culture, and attempt by employees to develop *guanxi* being regarded as annoying and counter-productive by supervisors all resulted in the weak influence of *guanxi* practices. The study of Gu and Nolan (2015) shows *guanxi* practices in China may not be so pervasive as believed.

Tsang (2007) advocates aligning "firms' PM with the core cultural value of

collectivism" (p. 270). Tsang (2007) notes that Chinese cultural values are utilised by employers in China to motivate staff. Under a culture of collectivism, firms in China may arrange frequent social interactions and gatherings among employees, such as having meals together and going on a holiday all together (Tsang, 2007). On one hand, this cultivates a sense of belonging, membership and harmony among employees. On the other hand, this also helps to blur the boundary between employees' private lives and work lives. As a result, employers can use social pressure and the sense of being a decent member of the group to instil the desired work attitudes and behaviours among employees. Tsang (2007) refers to this as 'social motivators' (p. 281), which are additional to the financial incentives/motivators in the Chinese context. These social motivators include group related factors such as harmony, membership and benevolence to others (Tsang, 2007). From her study, Tsang (2007) comments that firms in China should adapt western practices within the Chinese cultural setting.

To sum up, findings from studies discussed above show the generally held views regarding PM practices under the cultural values of China may not be supported. New theoretical explanations as well as further studies, as suggested by Cheng and Cascio (2009), are needed to account for the findings. One more point is that the peculiarity of Chinese cultural values may be utilised to achieve more benefits in performance management, such as to motivate staff as reported in Tsang (2007).

ii) Studies of PM Practices in MNCs in China

Given the belief that performance management practices may not be transferable among countries owing to cultural and contextual factors (Baruch et al., 2004; Cheng and Cascio, 2009; Hempel, 2001; Lunnan et al., 2005), related studies have investigated PM practices in MNCs in China, including Chen and Eldridge (2010),

Cooke and Huang (2011), Festing and Knappert (2014), and Kang and Shen (2016). There were various findings. The study of Chen and Eldridge (2010) on an MNC subsidiary in Southern China found that 'implementation of a Western standardised performance appraisal system was far from attaining an optimistic effect in a Chinese business setting' (p. 244). The analysis of Chen and Eldridge (2010) showed Chinese culture was a major factor impeding the implementation. Chen and Eldridge (2010) commented that there should be mechanisms and supportive systems to alleviate the 'cultural unfitness' (p. 254) when implementing a Western standardised performance appraisal system in China. If necessary, there should be local adaptation of PM practices to fit into the Chinese contexts. The study of Cooke and Huang (2011) supported this. They suggested adaptation to local context, including cultural values, when MNCs transferred performance appraisal practices to their subsidiaries in China.

In the study of Festing and Knappert (2014), however, some features of local peculiarities of China as widely perceived in the literature were not supported, including a low degree of feedback communication in performance appraisals, performance evaluation criteria primarily network and output oriented, and PM methods primarily implicit. Given the study of Festing and Knappert (2014) was conducted in one MNC only and the empirical evidence was still fragmented, more studies and further evidence are needed to examine if there is a new trend in these issues.

Festing and Knappert (2014) use the term *global performance management* (p.332) to cover the challenges of localising and standardising PM practices in subsidiaries of MNCs in host countries. From literature, it is inconclusive as to the appropriate PM practices that MNCs should apply in host countries (Brauch et al., 2004; Kang and

Shen, 2016). A good suggestion is from Kang and Shen (2016) who state that MNCs should take an integrative approach in which they adopt 'best-fit practices' (p. 296) by integrating the best of the home practices of the MNC and the best of the practices in the host country.

To sum up, findings and suggestions in the above studies in MNCs in China contribute empirical findings and managerial insights to the knowledge base of PM practices in MNCs in host countries. It appears, as commented by Festing and Knappert (2014), more studies should be conducted to explore the appropriate PM practices in MNCs in China.

iii) Studies on Individual Aspects of PM in China

There are PM studies which focus on individual aspects of PM in practice, such as the functions and effects of performance appraisals, as in Bai and Bennington (2005), Tsai and Wang (2013), Zhang and Lovegrove (2009), Zhang and Ng (2011), and the benefits of performance-related pay, as in Baruch et al. (2004), Bozionelos and Wang (2007), Wang and Wang (2008), and Zhang et al. (2015). Positive results are found in all these studies, such as performance appraisals enhance employee performance, productivity and professional development, and performance-related pay promotes creativity and performance improvement among employees. The findings in these studies are in line with those in the wider literature about the positive results and contributions of performance appraisals (Erdogan, 2002; Joshi et al., 2010; Kuvaas, 2006; Tian and Zhang, 2004).

Moreover, there was a study by Liu and Dong (2012) on a comprehensive review of the China civil servant's performance appraisal system, including the reasons for its ineffectiveness and suggestions to improve the effectiveness.

iv) Summing Up

To conclude this section, studies of PM in China found in the literature are comprehensive. There is research in different areas, with some studies exploring the appropriate practice of PM in China, in particular to fit in with the cultural contexts of China, while some investigate the benefits of PM. From literature, the studies of PM in China have arguably reached a critical mass. This research study on implementing a PM system in SME factories in China will enrich the knowledge base of PM studies in China in an area which has not been researched before. As discussed in Chapter One, no study on PM in SME factories in China was found in the literature, nor any studies on implementing a PM system in SME factories in China. Findings in this study will provide new evidence, and practical and empirical references for the industry players and managers of the SME factories in the Pearl River Delta of China to implement change to set up a PM system.

### 2.3.4. PM System and Job Satisfaction

Job satisfaction is about an individual's feelings or state of mind towards their job (Mudor and Tooksoon, 2011), which involve one's cognitive, affective and evaluative reactions towards the job (Greenberg and Baron, 1997). Locke (1976) refers to job satisfaction as 'a pleasurable or positive emotional state, resulting from the appraisal of one's job experiences' (p. 1300), and such an emotional state 'results from the perception that one's job fulfils and allows the fulfilment of one's important job values, providing and to the degree that those values are congruent with one's needs' (p. 1307). This is supported by Oshagbemi (1999) who refers to job satisfaction as an individual's positive emotional reactions towards the job, 'an affective reaction to a job that results from the person's comparison of actual outcomes with those that are desired, anticipated or deserved' (p. 388).

Job satisfaction can be attributed to different factors, including the pay and reward system, promotions and promotion opportunities, supervision, training and development, co-workers, the work itself, recognition and respect, and care and support from management (Ayobami Akanbi and Adeniran Itiola, 2013; Fu et al., 2011; Gu and Siu, 2009; Mudor and Tooksoon, 2011; Smith et al., 1969). It is widely believed that a PM system enhances employees' job satisfaction. PM serves to identify, measure and develop the performance of individuals. In the process, PM helps to determine and fulfil the developmental needs and career aspirations of employees, as well as to tie rewards to their effort and performance. These are crucial to build a committed and engaged workforce, and to enhance employees' positive emotional reactions towards the job, and ultimately their job satisfaction (Armstrong, 2009; Dessler and Tan, 2006).

From the literature, according to the findings in a hospital in Canada by Harber (1998), participation level among employees in a staff satisfaction survey rose from 33 to 75 per cent, and patient satisfaction levels from 79 to 95 per cent after implementation of a PM system. Two studies, respectively by Burney and Swanson (2010) and Hall (2008), revealed that performance measures in a PM system had a positive link to employees' job satisfaction. Gupta and Upadhyay (2012) and Rompho and Siengthai (2012) also found that a PM system had a positive relationship with employees' job satisfaction.

Employees with higher job satisfaction are more likely to have a positive attitude towards the job (Wang and Feng, 2003), and a decreased tendency to leave (Chiang et al., 2005; Wright and Bonett, 2007), and are more inclined to stay in the organisation for a long-term duration (Mudor and Tooksoon, 2011). Studies have shown a negative correlation between job satisfaction and turnover (Amah, 2009; Gu et al., 2010; Gu and Siu, 2009; Jiang et al., 2009; Tian-Foreman, 2009; Zhou et al., 2009). Moreover, the

study of Falkenburg and Schyns (2007) showed job satisfaction had a moderating effect on employee turnover and absenteeism, while the study of Shaffer and Harrison (1998) indicated that job dissatisfaction increased turnover and absenteeism. The study of Kristensen et al. (2006) showed a negative relationship between job satisfaction and absenteeism. Cohen and Golan (2007) showed that job satisfaction was a strong predictor of absenteeism.

Satisfied workers tend to be productive workers (Heskett et al., 1997; Robbins and Judge, 2009). Judge et al. (2001), by conducting a meta-analysis of 312 data sets with a sample size over 54,000, concluded that job satisfaction was positively correlated with job performance. This is supported by findings in other studies (Chen and Liu, 2012; Edwards and Bell, 2008; Fu and Deshpande, 2014; Gu and Siu, 2009; Hira and Waqas, 2012; Iqbal et al., 2012; Riketta, 2008; Springer, 2011; Yang and Hwang, 2014). Findings from Antoncic and Antoncic (2011) and Zeffane and Ibrahim (2008) indicated that job satisfaction influenced productivity. Moreover, the study by Yang and Hwang (2014) showed there was strong evidence of a reciprocal relationship between job satisfaction and job performance. Yang and Hwang (2014) found that job satisfaction resulted in better job performance, and better job performance in turn could lead to higher job satisfaction.

In sum, the literature has shown that a PM system enhances job satisfaction among employees, while job satisfaction has a positive effect on employee job performance as well as a positive attitude towards the job with lower turnover and absenteeism.

### 2.3.5. Hypothesis 3

Here comes Hypothesis 3 of this research study:

H3: *Implementation of a PM system enhances job satisfaction among employees.*

If H3 is supported by the data, this will show the benefits of implementing a PM system in SME factories in China. Job satisfaction, as discussed before, contributes to job performance among employees.

### 2.3.6. Determinants of Job Satisfaction

It is widely accepted that job satisfaction is a construct with multiple aspects. The Job Descriptive Index (JDI) advocated by Smith et al. (1969) is a classic measure of job satisfaction. The JDI examines five aspects to evaluate job satisfaction, namely pay, promotions and promotion opportunities, co-workers, supervision, and the work itself.

The five aspects of evaluation under JDI have been widely adopted in subsequent studies in job satisfaction (Lam et al., 2001). For example, in the study of Tutuncu and Kozak (2007), the findings showed promotion, supervision and the work itself were the significant determinants of overall job satisfaction. Gu and Siu (2009) showed pay and benefits, support from supervisors and colleagues (co-workers), and training opportunities were the significant drivers of job satisfaction.

Buitendach and De Witte (2005) put forward that the determinants of job satisfaction are broadly categorised into intrinsic factors and extrinsic factors. Extrinsic factors include pay, promotion, supervision, work group/co-workers, the work itself (including working hours and conditions) and job security. Intrinsic factors include personal values, personality, personal achievements, and recognition and respect.

Siggins (1992) views determinants of job satisfaction as fulfilment of personal needs and values in the work setting. According to Siggins (1992), personal needs are

translated into items such as pay, promotion and recognition. Values are reflected in elements such as perceptions of job content, job meaningfulness and significance, and equitable distribution of rewards.

In brief, no matter whether they are interpreted as the five aspects of JDI, or intrinsic factors and extrinsic factors, or needs and values in the work setting, the determinants of job satisfaction can be grouped under 1) HRM interventions/practices (e.g. pay and rewards, promotion, supervision, support and communication from management, training, recognition and respect to employees), 2) the work itself (e.g. working conditions, job contents and significance), 3) co-workers, and 4) employees' personal attributes (e.g. values and personality).

### 2.3.7. Ruling out Other Possible Determinants of Enhancing Job Satisfaction

To rule out possible determinants other than the implementation of the PM system that might have enhanced job satisfaction in the research period, the following was confirmed with factory management:

i) whether the only new intervention/practice launched in HRM in the two factories in the research period was the implementation of the PM system;
ii) whether there was change to a) employees' pay levels, and b) the overall earnings of employees in the research period;
iii) whether there was change to the overall work deployment of employees, the nature of their work, and their overall working environment and conditions, including any change to the production machines and resources (e.g. better materials, better equipment) in the research period; and
iv) whether in the research period, except for implementation of the PM system, there was major change to the methods and systems to manage the employees, or major change or reshuffle to the teams/sections that employees worked under.

Points i) and ii) above aim to rule out other possible determinants under HRM practices/interventions, while point iii) rules out those under the work itself, and point iv) rules out those under co-workers.

In addition to point iv) above, there was a check on employee turnover before and after implementation of the PM system. Low turnover[11] would indicate that the composition of co-workers was largely stable throughout the research period.

Moreover, if the turnover was low this means largely the same group of employees remained in the factory. Under largely the same group of employees, the personal attributes of employees would remain similar in the post-implementation stage as the pre-implementation stage (it is widely accepted that, for most people, their personal attributes will not change a lot in four months' time, the duration of the research period).

In brief, the discussion above has shown ways to rule out possible determinants other than the implementation of the PM system that might have enhanced job satisfaction in the research period.

## 2.4. Evaluation of Job Performance of Employees by Direct Supervisors, Labour Productivity of Employees, and Employee Turnover and Absenteeism

In this research study, aggregate summarised data were obtained from the two factories on a) evaluation of job performance of employees by direct supervisors, b) labour

[11] As will be reported in Chapter Four, for the employee turnover in the pre- and post-implementation stages, there was 1% change from 5% to 4% in one factory (machinery factory), and 1.6% change from 4.4% to 6% in another factory (plastics factory). The percentage of turnover in both factories was low throughout the research period.

productivity of employees, and c) employee turnover and absenteeism before and after implementation of the PM system. [12] If there was improvement in the post-implementation data, this would provide supplementary information on the benefits of implementing a PM system.

### 2.4.1. Brief Ideas about Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism

i) Job Performance of Employees

Job performance of employees is how they perform tasks using knowledge, skills, techniques, time, effort and interactions with others (Hall and Goodale, 1986). Job performance also represents the quantity and quality of work delivered by employees to achieve the work tasks (Schermerhorn, 1989). Thus, Yang and Hwang (2014) assert that job performance emphasises whether outcomes by individuals match expected goals. It is widely believed that PM enhances the job performance of employees (Aguinis, 2009; Kinicki et al., 2013; Taylor and Beh, 2013).

ii) Labour Productivity of Employees

Labour productivity, defined as the total output divided by the total labour input (Coelli et al., 2005; Guthrie, 2005; Huselid, 1995; Mohd, 2002), is an essential organisational outcome (Datta et al., 2005; Wang and Shyu, 2008). It not only reflects how efficient the labour force is in creating output (Datta et al., 2005), but also is an important indicator of workforce/employee performance (Delery and Shaw, 2001). Paris (2010) refers to labour productivity as the single most important factor

[12] As discussed in Chapter One, labour productivity and employee turnover are organisational outcomes. If there is improvement in post-implementation data, this shows PM has impact on outcomes at the organisational level for the SME factories in the Pearl River Delta of China to cope with the challenges and difficulties they are facing now.

in production. The face validity of labour productivity is relatively high because of the relatively direct connection between human capital and labour productivity (Dyer and Reeves, 1995). It is widely believed PM enhances labour productivity (Landy and Conte, 2004; Lee and Lee, 2007).

iii) Employee Turnover and Absenteeism

Cohen and Golan (2007) refer to employee turnover as 'voluntary separation of an individual from an organisation' (p. 417). Employee turnover involves an employee who leaves his/her position in an organisation after being engaged in that position for a certain period (Mobley, 1977; Yang et al., 2012). Given the impact of employee turnover on an organisation (Mitchell et al., 2001) (including the high cost of replacing employees, loss of talents, and years of training and development of employees), many scholars including Davidson et al. (2010), Long et al. (2014), Rogg et al. (2001), Tian-Foreman (2009) and Yang et al. (2012) refer to the significant impact of employee turnover at the organisational level.

Kristensen et al. (2006) refer to absence at work as 'non-appearance for scheduled work' (p. 1646) in which the employee is physically absent from the work setting. According to Steel (2003), the absence can be counted in time/duration away from work, or frequency of absence (number of absence episodes). Dionne and Dostie (2007) comment that absenteeism will result in output loss when the absent employee is not replaced or is replaced by someone who is generally less efficient.

Both turnover and absence are regarded as withdrawal behaviour from work (Borda and Norman, 1997), indicating an underlying motivation to escape from a job (Mitra et al., 1992). It is widely believed that PM reduces employee turnover and

absenteeism (Armstrong, 2009). The study by Lee and Jimenez (2011) showed PM reduced turnover intention, and the study by O'Halloran (2012) identified that there was a negative relationship between performance-related pay and employee turnover. Moreover, Abdullah et al. (2011) showed that a lack of performance appraisals contributed to turnover intentions of employees.

For absenteeism, Busin (2012) and Government of Western Australia (2015) have commented that PM contributes to reduce absenteeism. The study of Wananda et al. (2015) identified that PM contributed to a lower prevalence of absenteeism. Findings from Pouliakas and Theodoropoulos (2015) showed performance-related pay was positively related to reduced absence rates.

### 2.4.2. Determinants of Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism

i) Determinants of Job Performance of Employees

Traditional theories of human behaviour point out that job performance often results from employees' abilities and skills, and their motivation to perform (Sarmiento et al., 2007). These traditional theories exclude factors outside individual employees that have an impact on performance (e.g. organisational factors: Herman et al., 1975).

Pringle and Blumberg (1986, p. 10) add one more category, 'opportunity', to embrace the organisational factors, and put forward a three-factor model of the determinants of job performance as follows:

1) *Individual Capacity*: the employees' mental and physical abilities to perform, such as knowledge, skills, intelligence, health, energy levels and personal endurance.

2) *Willingness to Perform*: personal psychological and emotional characteristics, including motivation to perform, job satisfaction, attitudes, values, perceived role expectations, job involvement and self-image.
3) *Opportunity*: organisational factors such as management support, supervision, pay and rewards, training, co-workers, task characteristics, working conditions, equipment and resources.

Waldman and Spangler (1989) also put forward an integrated model of the determinants of job performance with different components. It is observed that these components can be grouped under the three-factor model of Pringle and Blumberg (1986). Selladurai's (1991) model of the factors affecting job performance includes a fourth factor, 'economic conditions', in contrast to the three-factor model of Pringle and Blumberg (1986). Selladurai (1991) refers to economic conditions as the external economic and market situations. Under high unemployment, for example, employees will tend to stay on the job, perform better and be more satisfied.

To sum up, the above determinants of job performance of employees can be grouped under the following areas (some determinants can be placed in more than one area):

1) Personal attributes/situations
   [including all under *Individual Capacity* and all under *Willingness to Perform*]
2) HRM practices/interventions
   [including
   - those under *Individual Capacity* which can be enhanced through HRM, such as knowledge, skills, and personal endurance
   - all those under *Willingness to Perform* which can be enhanced through HRM
   - those under *Opportunity* which are related to HRM, such as supervision, pay and rewards, and training]

3) Work itself ('work itself' here also embraces work deployment of employees, as well as production equipment, machines and resources)

[including those under *Opportunity* which are related to the work, such as task characteristics, working conditions, resources and tools]

4) Co-workers (a factor under *Opportunity*)

5) Management of employees

[including those under *Opportunity* which are related, such as management support, and supervision]

6) Economic and market conditions [a factor pointed out by Selladurai (1991)]

ii) Determinants of Labour Productivity of Employees

After reviewing the literature, Jang et al. (2011) put forward a model of five components that influence labour productivity as follows:

1) Employee component

*Including knowledge, skills, expertise, experience, motivation, job satisfaction, attitudes, organisational commitment*

2) Work component

*Including work conditions, environment, methods and procedures, resources, crew size and composition, work difficulty*

3) Tools and equipment component

*Including quality, condition and performance*

4) Materials component

*Including condition, quantity, applicability*

5) Management and control component

*Including work management and the system, work deployment of employees, supervision, management support to employees, safety, use of information technology and integration*

In addition to the above, according to Lee and Lee (2007), labour productivity is affected by pay and rewards as well.

The above determinants can be grouped under the following areas (some determinants can be placed in more than one area):

1) Personal attributes/situations

[including all those under *employee component*]

2) HRM practices/interventions

[including

- those under the *employee component* which can be enhanced through HRM, such as knowledge, skills, and motivation
- those under *management and control component* which are related to HRM, such as supervision, management support to employees
- 'pay and rewards', as pointed out by Lee and Lee (2007)]

3) Work itself ('work itself' here also embraces work deployment of employees, as well as production equipment, machines and resources)

[including

- all those under *work component* (except 'crew size and composition'), *equipment component* and *materials component*
- 'work deployment of employees' under *management and control component*]

4) Co-workers

[mainly comprising 'crew size and composition' under *work component*]

5) Management of Employees

[including those under *management and control component* which are related, such as work management and the system, safety, and use of information technology and integration]

iii) Determinants of Employee Turnover and Absenteeism

*Turnover*

Davidson et al. (2010, p. 452) and Yang et al. (2012, p. 838) categorise the major factors leading to employees' turnover into six HRM areas: i) inappropriate

recruiting processes; ii) inappropriate work placement; iii) dissatisfaction with salary, benefits and job/promotional opportunities; iv) inappropriate management of staff; v) insufficient training and development; and vi) job stress and burnout. It is observed that PM is related to ii), iii) and iv) in the above HRM areas.

In addition to the above six HRM areas, scholars including Cotton and Tuttle (1986), Mitchell et al. (2001), Mobley (1977), and Price and Muller (1986) mention the following determinants:

- Job satisfaction
- Organisational commitment
- Co-worker/work group support
- Routinisation (job repetitiveness)
- Work itself (including work nature, conditions, environment)
- Personal attributes/situations, including age, gender, education, organisational tenure, family responsibilities, life changes, pursuit of a different career or further education
- Economic and market conditions (including other job offers)

The above determinants of turnover can be grouped under the following areas:

1) Personal attributes/situations
2) HRM practices/interventions

   (including the six HRM areas of Davidson et al. (2010) and Yang et al. (2012), as well as job satisfaction, and organisational commitment which can be enhanced through HRM)
3) Work itself (also including routinisation)
4) Co-workers/work group support
5) Economic and market conditions (including other job offers)

*Absenteeism*

For determinants of absenteeism, Brooke and Price (1989, pp. 3–4) put forward a model which comprises the following:

- Job autonomy
- Routinisation *(degree of job repetitiveness)*
- Role ambiguity *(degree to which role expectations are unclear)*
- Pay and rewards
- Job satisfaction
- Organisational commitment
- Work involvement
- Family responsibilities
- Health status
- Alcohol involvement *(extent to which alcohol is used as a coping mechanism)*
- Organisational permissiveness *(degree to which absenteeism is tolerated by the organisation)*

In addition to the above, Rhodes and Steers' (1981) model contains four further determinants:

- Work itself (including work nature, conditions, environment)
- Co-workers/work groups
- Personal work ethics
- Economic and market conditions (e.g. a rise in unemployment levels can lead to a decrease in absence rates)

The above determinants can be grouped under the following areas (some determinants can be placed in more than one area):

1) Personal attributes/situations
(including personal work ethics, family responsibility, health status, and alcohol involvement)

2) HRM practices/interventions
(including pay and rewards, role ambiguity, job satisfaction, organisational commitment, and work involvement)

3) Work itself (including job autonomy)

4) Co-workers/work groups

5) Management of employees
(including job autonomy, and organisational permissiveness)

6) Economic and market conditions

### 2.4.3. Ruling out Other Possible Determinants of Enhancing/Improving Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism

The discussion in Section 2.4.2. above shows that the determinants of job performance of employees, labour productivity of employees, as well as employee turnover and absenteeism can all be grouped under the areas of 1) personal attributes/situations, 2) HRM practices/interventions, 3) the work itself, 4) co-workers/work groups, 5) management of employees, and 6) economic and market conditions.

To rule out effects under the above 6 areas which might have enhanced/improved job performance of employees, labour productivity of employees, and employee turnover and absenteeism in the research period other than the implementation of the PM system, the following was conducted:

1) To rule out effects under personal attributes/situations

The check on employee turnover addressed this. Low turnover[13] means largely the same group of employees remained there. As discussed in Section 2.3.7. above, under largely the same group of employees, the personal attributes/situations of employees remain similar in the post-implementation stage as in the pre-implementation stage (as discussed in Section 2.3.7. above, it is widely accepted that, for most people, their personal attributes will not change a lot in four months' time, the duration of the research period).

2) To rule out effects under HRM practices/interventions

As discussed in Section 2.3.7. above, there was a check with the factory management on whether the only new intervention/practice launched in HRM in the two factories in the research period was the implementation of the PM system.

3) To rule out effects under work itself

This was also checked, as discussed in Section 2.3.7. above.

4) To rule out effects under co-workers/work groups

This was also checked, as discussed in Section 2.3.7. above.

5) To rule out effects under management of employees

As discussed in Section 2.3.7. above, there was a check with the factory management that, except for implementation of the PM system, there were no major changes to the methods and systems to manage the employees during the research period.

6) To rule out effects under economic and market situations

The pilot implementation of the PM system in the factory took four months. Unless there was a rare incident such as the financial tsunami in 2008, it was unlikely that the economic and market situations would change a lot in 4 months' time, and in fact

[13] As mentioned in Section 2.3.7. above, the percentages in turnover in both factories were low throughout the research period.

there was no such rare incident during the research period. Thus, the effect under this determinant of economic and market conditions could be ruled out.

To sum up, upon ruling out effects under the above 6 areas on one hand, and on the other hand if there is improvement shown in the job performance of employees, labour productivity of employees, and employee turnover and absenteeism in the post-implementation time, it can be concluded that such improvement is a result of the PM system.

## 2.5. Conclusion of Chapter

This research study *Implementing a Performance Management System in Small and Medium-Sized Enterprise Factories in the Pearl River Delta of China* is centred on the following main research question:

*Can the two methods of change implementation, i. formulating the change in fit with the VMV of the factory to enable commitment to change among employees; ii. Kotter's 8-step model of change implementation), which have been reported with positive results in literature in the West be applied to change implementation to set up a PM system in SME factories in China?*

Correspondingly, three hypotheses are posited:

H1: *The fit of the change with the VMV (vision, mission and values) of the factory is positively related to the commitment to change among employees.*

H2: *The perceived implementation success of the PM system among managers is positively related to that among employees.*

H3: *Implementation of a PM system enhances job satisfaction among employees.*

Figure 1 shows the whole research design and framework:

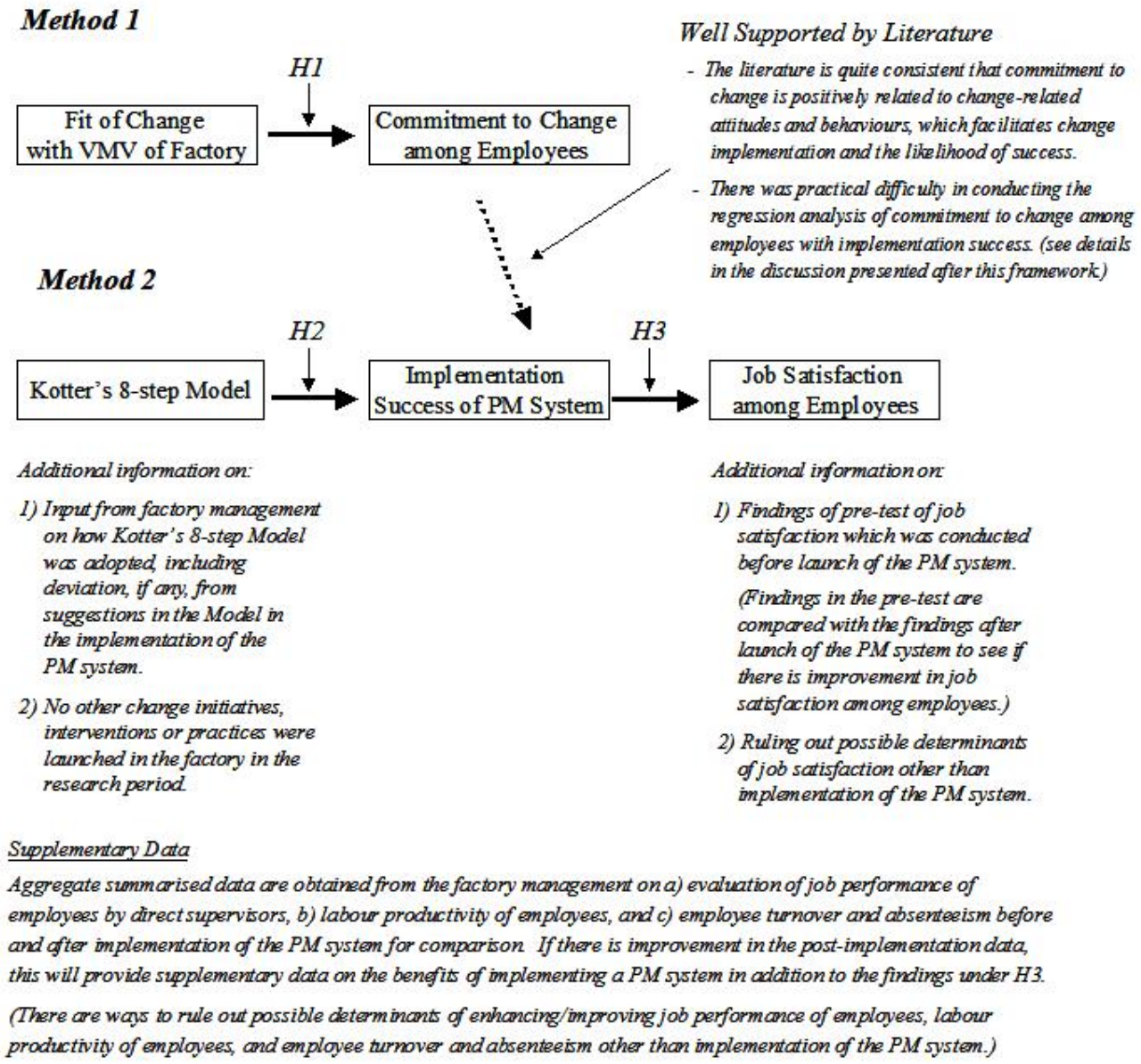



**Figure 1: Research Design and Framework**

The above framework shows the research focuses on two methods of change implementation and on facilitating the likelihood of success through adoption of these two methods. H3 provides a finishing point of the framework on the benefits of implementing a PM system.

There is one limitation in the above framework. There is no empirical regression analysis to test whether '*Commitment to Change among Employees*' is positively related to perceptions of employees on '*Implementation Success of PM System*'. There was a practical difficulty in conducting the regression analysis because the measure of '*Commitment to Change among Employees*' was taken at the beginning of the intervention to launch the PM system, while the measure of '*Implementation Success of PM System*' was taken at the end of the intervention.

One way to enable the regression analysis would be to conduct both the measures of '*Commitment to Change among Employees*' and '*Implementation Success of PM System*' at the same time (i.e. at the end of the intervention to set up the PM system). However, as suggested by Jaros (2010), the antecedents and the commitment to change should be measured concurrently. Given the 'fit of change with the VMV of the factory' was communicated to employees by the factory management at the beginning of the intervention, it was appropriate to measure the commitment to change at that time (the beginning of the intervention). Moreover, if conducted at the end of the intervention, respondents' ratings on '*Commitment to Change among Employees*' might have been influenced by the effort and effectiveness of the implementation as well as respondents' experiences, feelings and perceptions during the implementation process. Thus, the measure of '*Commitment to Change among Employees*' was conducted at the beginning of the intervention in this research study.

From the discussion in 2.1.1. *Commitment to Change* in this chapter, it is widely believed that committed and motivated employees tend to perform better and accomplish more during a change (Shelton et al., 2011). From the literature, a number of studies in the West (Chawla and Kelloway, 2004; Cunningham, 2006; Ford et al., 2003; Herscovitch and

Meyer, 2002; Meyer et al., 2007; Neves and Caetano, 2009; Parish et al., 2008; Rafferty and Restubog, 2010) and in China (Chen et al., 2012; Jing et al., 2014, Liu, 2016; Ning and Jing, 2012; Yang and Segal, 2005) support the positive outcomes and consequences of commitment to change.

From the discussion in 2.1.1. *Commitment to Change*, the literature is quite consistent, with ample evidence that commitment to change is positively related to change-related attitudes and behaviours (Jaros, 2010), which facilitates the change implementation (Neubert and Cady, 2001; Neves and Caetano, 2009; Paton and McCalman, 2000; Robinson and Griffiths, 2005) and ultimately the likelihood of implementation success (Parish et al., 2008).

Given the above findings and strong support from the literature, if H1 is supported and commitment to change among employees is affirmed by the survey results, it is likely that such commitment to change among employees would facilitate the change implementation and the likelihood of implementation success of setting up a PM system in the factory.

Given that:

a) under Method 1 in the framework, the key purpose was to test whether '*Fit of Change with VMV of Factory*' is positively related to '*Commitment to Change among Employees*' (so as to provide a way to address the lack of commitment to change among employees during change implementation);
b) if the survey were conducted at the end of the intervention stage, respondents' ratings of '*Commitment to Change among Employees*' might be influenced by the effort and effectiveness of the implementation as well as respondents' experiences, feelings and perceptions in the implementation process; and

c) the literature is quite consistent, with ample evidence that commitment to change is positively related to change-related attitudes and behaviours, which facilitates the change implementation and the likelihood of implementation success,

the empirical regression analysis to test whether commitment to change among employees is positively related to the implementation success can be skipped in this research study.

Lastly, in this research study, aggregate summarised data was collected from the two factories on a) evaluation of job performance of employees by direct supervisors, b) labour productivity of employees, and c) employee turnover and absenteeism before and after implementation of the PM system. Improvement in the post-implementation data would provide supplementary information on the benefits of implementing a PM system in addition to the findings under H3.

# CHAPTER THREE

# RESEARCH DESIGN AND METHODOLOGY

Longitudinal studies in two Chinese SME factories were conducted. The key research methodology in this study is in a quantitative[14] approach.

## 3.1. Overall Research Design

Tsang and Chan (2000) suggested implementing an organisational change as a pilot in part of the organisation so as to gain initial success quickly to sustain the momentum of the change. The two factories in this research study took this approach. The PM system was implemented in half of the staff in the production department of the factory (referred as the 'group under intervention').

This group under intervention was formed by the factory management by proportionate stratified random selection from staff in the production department of the factory. The strata were section heads/team heads (managers), unit heads/line heads/workstation heads (frontline supervisors) and frontline workers, with around 50 per cent of the members from each stratum. The change was mainly implemented by the section/team heads who were the managers at the operational level. These section/team heads were also the leaders of the change in their respective sections/teams. As nearly all staff in the two factories were in the production department, this pilot implementation was taken as a factory-wide scheme in both factories. The change in both factories was championed by a senior officer with the required resources, authority and knowledge to implement the change.

The overall research design and methodology was in three stages, namely pre-intervention, intervention, and post-intervention, as described below:

[14] There was qualitative input from the factory management about adoption of Kotter's 8-step model in the process to supplement the findings from the survey questionnaires conducted under the quantitative approach.

### 3.1.1. Pre-intervention Stage

Before the start of the intervention of change to implement a PM system in the factories, employees (frontline supervisors and frontline workers) in the group under intervention were asked to fill out a questionnaire about their job satisfaction[15]. Moreover, data were collected on a) evaluation of the job performance of these employees (frontline supervisors and frontline workers in the group under intervention) by their direct supervisors, b) the labour productivity (defined as total output divided by total labour input: Coelli et al., 2005; Guthrie, 2005; Mohd, 2002) of these employees, and c) their turnover and absenteeism rates from the factory management in aggregate summary data in which individuals were non-identifiable. [Aggregate summary data on a), b) and c) above are collectively referred as "aggregate summary data on employees' performance" in later part of this Chapter]. The above measures were repeated in the post-intervention Stage. The findings in the post-intervention and pre-intervention stages were compared to see if there were improvements after the intervention of change to implement a PM system.

### 3.1.2. Intervention Stage *(four months; by means of a pilot[16])*

The factories adopted and applied the framework of Kotter's (1996) 8-step model to

---

[15] These employees in the group under intervention were not yet to know there would be a pilot implementation of the PM system in the factory when they filled in the job satisfaction questionnaire. This was to rule out any effect by the would-be implementation of the PM system on their ratings of the job satisfaction.

[16] In a pilot, the implementation of the PM system in the two factories was up to Step 6 (*Generating short-term wins and building momentum*) in Kotter's model. After the pilot, the factory management utilised the initial results gained in the pilot implementation of the PM system to consolidate, reinforce and produce more change (Step 7 in Kotter's model), and anchor the new approaches factory-wide in the new corporate culture (Step 8 in Kotter's model). Adoption of Steps 7 and 8 by the factory management are described in Section 4.3.4.b) *Findings on Adoption of Kotter's 8-step Models* in Chapter Four.

implement a PM system. As discussed above, this framework was executed as a pilot in half of the staff (i.e. the group under intervention) in the production department of the factory.

Three questionnaires were used for measurement during the intervention stage (see 'Research Tools' below for details of these three questionnaires). The duration of intervention was four months. This duration fit in with the findings of Sun and Alas (2007) which showed the most common time frame in planned organisational change in China was from 4 to 12 months.

### 3.1.3. Post-intervention Stage

After four months of intervention, there was measurement on whether job satisfaction was enhanced. The employee questionnaire on job satisfaction used in the pre-intervention stage was repeated in the measurement.

As mentioned in Chapter two, the following were confirmed with factory management in a post-intervention meeting to rule out other possible factors that might have enhanced job satisfaction in the research period:

i) whether the only new intervention/practice launched in HRM in the two factories in the research period was the implementation of the PM system;
ii) whether there was change to a) employees' pay levels, and b) the overall earnings of employees in the research period;
iii) whether there was change to the overall work deployment of employees, the nature of their work, and their overall working environment and conditions, including any change to the production machines and resources (e.g. better materials; better equipment) in the research period; and

iv) whether in the research period, except for implementation of the PM system, there was major change to the methods and systems to manage the employees, or major change or reshuffle to the teams/sections that employees worked under.

Moreover, after four months of intervention, aggregate summary data were collected on employees' performance from the factory management. The doing of this was to compare the data collected in the pre- and post-intervention stages to see if there were improvements after four months of intervention. If so, this would provide supplementary information to show the benefits of implementing the PM system.

## 3.2. Longitudinal Studies

### 3.2.1 Overview

Ahlstrom and Karlsson (2009) refer to longitudinal studies as studies of phenomena over time, taking cross-sectional snapshots of the phenomena. According to Cavana et al. (2001) and De Menezes et al. (2008), longitudinal studies can identify the relationships and associations over time in the matter under investigation, can offer good insights in the analysis, and can potentially confirm the relationships and associations under observation in the cross-sectional studies.

Data were gathered in this research study at different time points. The research was carried out longitudinally across a period of around four months on the factories under investigation. This research study measured:

- job satisfaction among employees (frontline supervisors and frontline workers) and aggregate summary data on employees' performance in the pre-intervention stage;
- correlation and linear regression relationship of "fit of the change with the VMV of the factory" with "employees' commitment to change" at the start of the

intervention stage;

- perceived implementation success of the PM system among managers (section heads/team heads) and among employees (frontline supervisors and frontline workers) at the end of the intervention stage; and
- job satisfaction among employees (frontline supervisors and frontline workers) and aggregate summary data on employees' performance in the post-intervention stage (findings to be compared with data collected in the pre-intervention stage).

The data gathered would address the following three hypotheses in this research study:

H1: The fit of the change with the VMV of the factory is positively related to the commitment to change among employees.

H2: The perceived implementation success of the PM system among managers is positively related to that among employees.

H3: Implementation of the PM system enhances job satisfaction among employees.

From the literature, there have been many longitudinal studies of HRM, including Birdi et al. (2008), De Menezes et al. (2008), Gillon et al. (2014), Knies and Leisink (2014), Li (2012), McDonald (2006), Razouk and Bayad (2009), and Warner-Smith et al. (2007). Longitudinal studies of organisational change include Freese et al. (2011), Kuula et al. (2012), Meyer et al. (2010), Molineux (2013), and Raukko (2009). There is also a longitudinal study on implementation of innovation improvement programmes in eight SMEs by McAdam et al. (2007).

Scholars such as Bamford and Daniel (2005) and Gable (2010) have commented that studies within an organisation tend to propose conclusions that are specific to the organisation being investigated and the generalisability of the findings can be limited. As will be discussed in detail in Section 3.2.2. below, generalisations from studies of cases should not be statistical generalisations (an inference about a population on the

basis of empirical data collected from its sample: Tsang, 2014), but should be generalisations from empirical results/description to theoretical statements/concepts, implications and insights (Olsson et al., 2008; Yin, 1989, 2014). Hence, the comments from Bamford and Daniel (2005) and Gable (2010) are refuted.

### 3.2.2 Generalisability and Number of Cases in Longitudinal Case Studies

This research comprised a longitudinal two-case study. A case study 'examines a phenomenon in its natural setting, employing multiple methods of data collection to gather information from one or few entities (people, groups or organizations)' (Bensabat et al., 1987, p. 370). Yin (2009) defines a case study as 'an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context' (p. 18).

Case study research can take many forms, can incorporate a positivist or interpretative approach, can be inductive or deductive, can be single or multiple, cross-sectional or longitudinal, and can adopt different data collection methods such as questionnaires, interviews, archival searches and observations (Gomm et al., 2000; Løkkel and Sørensen, 2014; Patton and Appelbaum, 2003; Sutherland, 2016; Tsang, 2014; Yin, 2009). Some case studies focus on identifying relationships among variables while some others study process dynamics over time (Tsang, 2014). Well-constructed case studies can be used for both theory testing and building (Darke et al., 1998; Tsang, 2014; Vissak, 2010).

Generalisation is based on the idea that the theory which has been established may be useful in making sense of similar situations or persons (Maxwell, 1992). To generalise, people infer from observed instances, such as those in a case setting, to other

circumstances (Schwandt, 1997; Tsang, 2014). In empirical research, authors establish generalisations to enhance the rigour and representativeness of the study (Gibbert et al., 2008; Sutherland, 2016).

A conventional view on case studies regarding generalisation is that the findings may not be generalisable to other settings due to the small-*N* problem (Gerring, 2007; Hillebrand et al., 2001; Sharp, 1998; Tsang, 2014; Steinmetz, 2004). However, the literature shows that this conventional view on statistical generalisation (an inference about a population on the basis of empirical data collected from its sample:(Tsang, 2014) regarding case studies is refuted (Flyvbjerg, 2006; Olsson et al., 2008; Tsang, 2014; Yin, 1989, 2009, 2014).

Yin (1989) contends that cases are not 'sampling units' (p. 31). This is supported by Seawright and Gerring (2008) who assert that, given the total number of cases to be selected is small, random sampling is not a viable approach since this may be 'substantially unrepresentative of the population' (p. 295). There is support from others as well. Kolberg (2008) advocates that 'case study cases are not meant to be selected randomly' (p. 6) while Rajagopal et al. (2009) assert that 'cases are chosen for theoretical, not statistical, reasons' (p. 681).

Given cases are not sampling units, Yin (1989) considers that it is a flaw to 'conceive of statistical generalization as the method of generalizing the results of the case' (p. 31). For case studies, Yin (1989) advocates 'analytical generalization' (p. 31) in which a previously developed theory is compared to the empirical results found in a case study. Such analytical generalisation is based on 'a) corroborating, modifying, rejecting, or otherwise advancing theoretical concepts that you referenced in designing your case

study or b) new concepts that arose upon the completion of your case study' (Yin, 2014, p. 40). Yin (1989) asserts that 'if two or more cases are shown to support the same theory, replication can be claimed' (p. 31).

Yin (1989) is supported by others. Mitchell (1983) contends that case studies are not based on statistical inference. Swanborn (2010) argues that the generalisation in case studies is about 'theoretical propositions and not populations' (p. 66). Gomm et al. (2000) contend that conclusions from case studies should be derived from theoretical inference and empirical generalisations.

Flyvbjerg (2006) argues from another perspective. He criticises the practice of only deriving generalisations from statistics. He contends that, while one can generalise from statistical representativeness, 'it would be incorrect to assert that this is the only way to work, just as it is incorrect to conclude that one cannot generalize from a single case' (p. 227). Pointing out that a case study is an in-depth empirical enquiry into a phenomenon within a real-life context, Flyvbjerg (2006) argues that 'One can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods.' (p. 231).

Patton and Appelbaum (2003) also refute the proposition that generalisation should only be derived from statistics. They assert that 'If you have a good descriptive or analytic language by means of which you can truly grasp the interaction between various parts of a system and the important parts of a system, the possibilities to generalize from very few cases, or even one single case, may be reasonably good.' (p. 65).

Olsson et al. (2008) disagreed that only statistical generalisation can be adopted in case studies. They argued against the conventional view that there might be limited scope for generalisation because there were just two cases in their case study. Quoting support from Klein and Myers (1999), Lee and Baskerville (2003) and Walsham (1993) for the view that generalisation in case studies could be from description to theoretical concepts, specific implications and rich insights, Olsson et al. (2008) commented in their study that 'generalizing from empirical description to theoretical statements, is more applicable to our research study' (p. 265).

In brief, it is widely supported in the literature that, as Yin (1989) puts it, an investigator is not to 'enumerate frequencies (statistical generalization)' (p. 10) in case studies. The generalisation in case studies, as Olsson et al. (2008) and Yin (1989, 2014) have commented, should be from empirical results/description to theoretical statements/concepts, implications and insights.

As to the number of cases a researcher should use in a case study, the study of Vissak (2010) shows there is no agreement in the literature. Bensabat et al. (1987), Flyvbjerg (2006), Gummesson (2003), Patton and Appelbaum (2003), Stuart et al. (2002) and Tellis (1997) have argued that, in a case study, it is possible to generalise from only one case.

There are others who advocate a threshold of two cases. Glaser and Strauss (1967) recommend there should be 2–10 cases in a case study. It is noted that there is advice in the literature against including a plethora of cases in a case study. Eisenhardt (1989) points out the difficulty in handling the volume of data. Vissak (2010) considers that increasing the number of cases may result in 'theoretical saturation' (p. 380) when the

researchers are observing phenomena seen before. In such a situation, data will be added from each additional case at a diminishing rate (Stuart et al., 2002).

The threshold of two cases in a case study is supported by Rowley (2002) and Yin (1989). They consider that generalisation/replication can be claimed if two or more cases are shown to support the same theory (Rowley, 2002, p. 20; Yin, 1989, p. 31).

In the literature, there are a number of case studies taking two cases, including Azouzi et al. (2009), Datta and Roy (2011), De Vreede (2014), Grøtnes (2009), Nielsen et al. (2015), Olsson et al. (2008), Stevenson and Silva (2008), and Tubin (2008). The authors of all these case studies properly established the generalisability of their studies. Moreover, some of these authors explicitly stated that findings/insights from their case studies could be applied to other situations, as in Datta and Roy (2011), De Vreede (2014), Nielsen et al. (2015), and Tubin (2008).

For this research study, two cases are considered sufficient to establish generalisability in view of the following:

i) It is widely supported in the literature that the generalisation in case studies should be from empirical results/description to theoretical statements/concepts, implications and insights, not from statistical generalisation.

ii) From Rowley (2002) and Yin (1989), when two cases are shown to support the same theory, generalisation/replication can be claimed. In any case, Bensabat et al. (1987), Flyvbjerg (2006), Gummesson (2003), Patton and Appelbaum (2003), Stuart et al. (2002) and Tellis (1997) assert that it is possible to generalise from only one case in a case study.

iii) From the literature, there are a number of case studies taking two cases in which the generalisability is properly established. Therefore there is good evidence from the literature which shows that two cases are sufficient in a case study.

The generalisability of this research study will also be enhanced by the empirical richness of the data collected. As will be discussed later in this chapter, data sources were triangulated, including survey questionnaires, interviews and archival records. Moreover, this research study triangulates the views of the frontline workers and supervisors, the managers and the senior management of the two factories. It is widely accepted that triangulation of data sources enhances generalisability of a study (Healy and Perry, 2000; Zivkovic, 2012).

To sum up, the above analysis shows that two cases are considered sufficient for this research study in which the generalisability is well established.

## 3.3. The Two Factories[17]

The two factories were ordinary small and medium-sized factories in Dongguan City, Guangdong Province, China. They were in different industries: one manufactured plastic products, while the other one manufactured machines. For the plastics factory, there were

[17] There was a pre-research meeting each with the management of the two factories. In the meeting, management of the two factories told the general facts about the factories (including the organisation, products, number of staff and their profiles), the challenges and difficulties they were facing, and the aims of implementing the PM system in the factory. Information about the two factories reported here was collected from this meeting.

around 350 staff members[18] in the production department, and for the machinery factory, the production department was made up of around 80 staff members[19]. (Names of the two factories have been withheld for anonymity.)

The plastics factory had an ethnic Chinese General Manager from Hong Kong while the rest of the staff were Mainland Chinese. The machinery factory was also headed by an ethnic Chinese from Hong Kong while all other staff were Mainland Chinese. Ordinary labourers formed the bulk of the workers in the plastics factory, while the machinery factory employed more skilled technical staff. The machinery factory had the capability with support of internal research and development (under the production department) to develop and produce patented machines, while the plastics factory produced products of low quantity but in high variety.

As to profiles of the employees (frontline supervisors and frontline workers), most of them were at the educational level of lower secondary in the plastics factory. In the machinery factory, most were at higher secondary. Most of the employees in the machinery factory were young, in their 20's. For the plastics factory, many employees were at their 20's, and there were some at their 30's and having worked in the factory for some years. In both

---

[18 and 19] There were a total of around 362 staff members in the plastics factory, and 86 in the machinery factory. In the plastics factory, 350 were in the Production Department, and 12 in the Management/Managerial Department. In the machinery factory, 80 were in the Production Department, and 6 in the Management/Managerial Department.

The Production Department included three parts, the production operation (doing the actual production of products for the factory), the production engineering, and the production planning and material control. Majority of the staff in the Production Department were in the production operation. The Management/Managerial Department comprised staff in the marketing/sales, accounting, personnel/HR, and administration.

factories, male employees were a bit more than the female. The majority of the employees were frontline workers in both factories.

For the managers (section heads/team heads), most were at their 30's and a few at their early 40's in both factories. They were at a higher educational level, at post-secondary. All managers in the machinery factory were engineering personnel. In the plastics factory, most of the managers had worked in the factory for a long time. In both factories, most managers were males.

The management of both factories revealed that they wished to improve labour productivity and employee performance in the factories. As will be reported in Chapter Four of this dissertation, both the labour productivity and the employee performance of the two factories were not high. At the plastics factory, labour productivity was 80 per cent and employee performance (aggregate summary of evaluation of employees' performance by direct supervisors) was 78.5 per cent. At the machinery factory, labour productivity was 60 per cent and employee performance was 66 per cent.

Management of both factories also revealed that job satisfaction in the factories might not be high. Turnover rates in both factories were at a medium level (plastics factory: 4.4 per cent; machinery factory: 5 per cent). The plastics factory faced a high absenteeism rate, up to 16 per cent, while the machinery factory had 5 per cent absenteeism. Moreover, management of the plastics factory revealed that they were facing the situation of insufficient production orders.

It was under the above situations in the two factories that a PM system was implemented with a view to improving labour productivity and employee performance, and increasing

employee job satisfaction.

Both factories did not have an established PM system. They supported this research study, and agreed to grant permission for me to gather data of organisational documents (both current and archival), and conduct questionnaires of their employees. Consent forms were received from the two factories.

Both factories adopted and applied the framework of Kotter's (1996) 8-step model to implement a PM system[20]. For the plastics factory, the period of implementation was from March to July 2012, while in the machinery factory it was from May to September 2012. Given the PM system was already a substantial HRM intervention and both factories wished to really test and ascertain the benefits of the PM system[21], both factories expressed they would not implement other HRM interventions/practices in the research period. Under the challenges and difficulties (shrinking orders, rising production costs, and narrowing profit margins resulting from the appreciating value of Renminbi) they were facing in their operations, both factories did not expect there would be rise in the pay levels and overall earnings of employees, or any change to make better the overall working environment, conditions, production machines or resources in the research period. Also, except for implementation of the PM system, both factories did not expect there would be major change to the methods and systems to manage the employees, or any major change or

[20] In a pilot, the implementation of the PM system in the two factories was up to Step 6 (*Generating short-term wins and building momentum*) in Kotter's model. Both factories planned to conduct the pilot in 4-5 months to gain quick initial results. Then these initial results were utilised when the PM system was expanded factory-wide to all staff.

[21] It is also under the wish to really test and ascertain the benefits of the PM system, both factories formed the group under intervention by proportionate stratified random selection from staff in the production department of the factory.

reshuffle to the teams/sections that employees worked under. According to management of both factories, they could not spare time or resources to launch other changes during the implementation of the PM system. All the points mentioned in this paragraph would be ascertained in a post-intervention meeting with the factory management to rule out other possible factors, other than the implementation of the PM system, that might have enhanced job satisfaction, employee job performance, labour productivity, employee turnover and absenteeism in the research period.

## 3.4. Quantitative Research Approach

### 3.4.1. Quantitative Hypothesis Testing

There are three hypotheses in this research study. Davis (2005) refers to a hypothesis as a 'conjectured statement of the relationship between two or more variables that carry clear implications for testing the stated relations' (p.48). According to Cavana et al. (2001), the theoretical framework on which a hypothesis is based has already given an extensive understanding of the hypothesis. Davis (2005) thus asserts that, given the information available, a hypothesis is a tentative statement which is considered to be plausible. Therefore, Cavana et al. (2001) advocate that hypothesis testing is used in situations where there is already extensive information or knowledge about the situations. The research objective is to test the stated relations and confirm the conjecture in the hypothesis. Survey questionnaires are widely used for hypothesis testing (Cavana et al., 2001; Davis, 2005).

According to Cavana et al. (2001) and Davis (2005), qualitative methods such as interviews and focus groups are ideal for exploratory research where there is a low degree of understanding or little information or knowledge about the situations. In exploring issues using qualitative methods, the researcher can clarify matters, obtain

more details, and gain a clearer and better understanding of the concepts being investigated (Cavana et al., 2001).

The three hypotheses and the variables in the hypotheses in this research study are all based on broad and in-depth analyses drawn from available extensive information and knowledge. There is already substantial information and knowledge about the situations. All the analyses, information and knowledge about the three hypotheses are already discussed in the literature review in Chapter Two. Given the research objective is to test the stated relations and confirm the conjectures in the three hypotheses, the key research methodology adopted in this study is in a quantitative approach in which data from 4 survey questionnaires are used to test the three hypotheses. The research tools used in this research study are all adopted from previous quantitative studies or research.

In spite of the above, there were qualitative interviews conducted with the factory management[22]. These qualitative interviews provide supplementary input on how Kotter's 8-step model was adopted in the change, including deviation, if any, from suggestions in the model in the implementation of the PM system. These qualitative interviews also serve to confirm that no other change initiatives, interventions or practices were launched in the research period.

### 3.4.2. Administration of Questionnaires

The research was by anonymous questionnaires given to participants in the two factories. The anonymous questionnaires (translated into Chinese), together with the

[22] There were difficulties to conduct qualitative interviews with the managers and employees. Eventually, no qualitative interviews were conducted with the managers and employees. See these difficulties and the justifications of these difficulties in *Part 5.6.iv) Interviews Arranged with Managers and Employees* in Chapter Five of the dissertation.

information sheets to participants (translated into Chinese) were sent to the factory to reach the participants. Written permission had been obtained from the factory management to involve their employees in this research study.

Participants only responded to anonymous questionnaires in this research, and they were totally on a voluntary basis. Return of the completed questionnaires indicated their consent to participate in the research. Return of the anonymous questionnaires was by postal mail in an addressed envelope (affixed with a stamp) which was provided for the participants. There were no risks to participants in responding to the anonymous questionnaires. Also, there were no cultural sensitivities relevant to the participants in this research study. I (the researcher) was the only member of the research team.

As discussed before, the PM system was implemented in half of the employees (group under intervention) in the production department of the factory. The participants in this research study were in this group under intervention.

### 3.4.3. Overall Research Methodology

Table 1 summarises the overall research methodology:

**Table 1: Summary of the Research Methodology**

| Hypo-thesis | Variable | Survey completed by | Questionnaire used | Format of measure | Time of completion |
|---|---|---|---|---|---|
| H1 | Fit of change with VMV of the factory | Employees | Qs 1-2 and 7-10 in Questionnaire 1 (*see Appendix 1 for the questionnaire*) | 7-point scale | At the *start* of intervention stage<br><br>Plastics factory<br>Mid-March 2012<br><br>Machinery factory<br>Mid-May 2012 |
| | Commitment to change among employees | | Qs 3-6, and 11-14 in Questionnaire 1 (*see Appendix 1 for the questionnaire*) | 7-point scale | |
| H2 | Perceived implementation success of the PM system among managers | Managers | Questionnaire 2 (*see Appendix 2 for the questionnaire*) | 5-point scale | At the *end* of intervention stage<br><br>Plastics factory<br>End of July 2012<br><br>Machinery factory<br>End of Sept 2012 |
| | Perceived implementation success of the PM system among employees | Employees | Questionnaire 3 (*see Appendix 3 for the questionnaire*) | 7-point scale | |
| H3 | Job satisfaction among employees (Measure of enhanced job satisfaction among employees is through pre-test and post-test in pre-intervention stage and post-intervention stage.) | Employees | Questionnaire 4 (*see Appendix 4 for the questionnaire*) | 5-point scale | Pre-test in pre-intervention stage.<br><br>Post-test in post-intervention stage.<br><br>Plastics factory<br>*Pre-test:*<br>Early March 2012<br>*Post-test:*<br>Early August 2012<br><br>Machinery factory<br>*Pre-test:*<br>Early May 2012<br>*Post-test:*<br>Early October 2012 |

The job satisfaction survey under H3 measured the benefits gained after implementing the PM system (as discussed in Chapter Two, studies have shown that a PM system can enhance employees' job satisfaction). Moreover, as mentioned before, supplementary

aggregate summary data[23] were collected from the factory management on a) evaluation of employees' performance by their direct supervisors[24]; b) labour productivity of employees, and c) employee turnover and absenteeism rates. The data obtained in the two stages (pre and post-intervention) were compared to assess the benefits brought by the implementation of the PM system.

### 3.4.4. Data Gathering

In the longitudinal study on each factory, the following data collection methods were used:

a) Four survey questionnaires were conducted as described before:

i) *Sample size*: 40 (machinery factory); 172 (plastics factory)

(Plastics factory: 165 employees; 7 managers

Machinery factory: 36 employees; 4 managers)

ii) *Questionnaires*

All four quantitative surveys in this study had been conducted previously in other studies; hence the validity and reliability had been tested and established. As the original questionnaires were in English, Brislin's (1980) guidelines on re-translation methods were adopted. Firstly, the questionnaires were translated into Chinese by me (the researcher). I am a native speaker of the Chinese language and I received an MA in Applied Linguistics from the University of Birmingham, UK. Next, the Chinese versions of the questionnaires were re-translated back to English by a Chinese graduate student from the University of Birmingham in UK majoring in Teaching English as a Second Language. Then the original and re-translated

[23] The factory management quantitatively filled in a form on the aggregate summary data twice, one in the Pre-intervention Stage, another one in the Post-intervention Stage.

[24] The factory management first collected the overall evaluation of the performance of each employee from their direct supervisor in a Likert-type scale, then converted all individual data into an aggregate summary.

versions of the questionnaires were compared and the discrepancies were rectified. The questionnaires were piloted before the final versions were used. The questionnaires were distributed to the respondents by postal mail to the factory. There was a return envelope (affixed with a stamp) printed with a mailing address for the respondents to return the completed questionnaire. Return of the questionnaires was anonymous through postal mail.

b) There was study and comparison of the aggregate summarised data on a) evaluation of employees' performance by their direct supervisors; b) labour productivity of employees, and c) employee turnover and absenteeism, as provided by the factory management both in the pre and post-intervention stages.

### 3.4.5. Quantitative Data Analysis for Hypothesis Testing

For the data obtained from the questionnaires, the following steps in quantitative data analysis suggested by Cavana et al. (2001) were adopted:

a) Getting Data Ready for Analysis

*i) Handling Blank Responses*

There was check on the questionnaire data collected. For a blank response, as suggested by Cavana et al. (2001), the blank item was assigned with the mean calculated from the responses to all other questions measuring the variable by this particular respondent. As Cavana et al. (2001) suggest, if more than 25 per cent of the questions in the questionnaire were not answered, this questionnaire was not included in the data set for analysis.

*ii) Coding*

The rating scales in all the questionnaires were Likert-type scales in which the responses to questions in the questionnaires could be coded using the actual number circled by the respondents. As advised by Cavana et al. (2001), a coding sheet was

used to transcribe data from the questionnaires before keying the data into the computer.

*iii) Entering Data*

Coding sheets were used to transcribe the data from the questionnaires first. Then the data were keyed in through the software programme SPSS Data Editor which could also edit and view the contents of the data file.

b) Initial Analyses of Data

The central tendency and the dispersion of the data were computed with SPSS. The mean, the range and the standard deviation in the data were examined to check the spread and variability of the data. Also, a correlation matrix of the variables was obtained to check how closely related or unrelated the variables were. These preliminary/initial analyses helped to establish the validity of the data, which, according to Cavana et al. (2001), 'lends credibility to all subsequent analyses and findings' (p. 320).

c) Testing Hypotheses

Table 2 shows the tools/methods used in this study.

**Table 2: Tools/Methods Used in Testing Hypotheses**

| **Hypo-thesis** | **Tools/Methods** | | | | | |
|---|---|---|---|---|---|---|
| | *Cronbach's alpha coefficient* (to confirm consistency and reliability among items measured in questionnaires) | *Descriptive statistics* (Rugg and Petre, 2007) (to examine the mean and the standard deviation) | *Pearson correlation* | *Linear regression analysis* (to examine the relationship of 'fit of change with VMV of the factory' with 'commitment to change among employees') | *ANOVA and t test* (to examine the survey results on perceived implementa-tion success of managers and employees) | *t test* (to examine the mean difference between pre and post-intervention in the job satisfaction survey) |
| H1 | ✓ | ✓ | ✓ | ✓ | | |
| H2 | ✓ | ✓ | | | ✓ | |
| H3 | ✓ | ✓ | | | | ✓ |

## 3.5. Ethical Issues

These were the main ethical issues in this research:

1) Letters were sent to the factory owners clearly stating the scope and purposes of the research, and how the data would be gathered and used. The whole exercise was treated in the strictest confidence. The letter to participating factories is attached in Appendix 6 of this dissertation.

2) Explicit consent (Mason, 2002) was obtained from the factories to gather data through organisational documents (both current and archival), and conducting questionnaires on their employees.

3) The identity of the participating factories (Walsham, 2006) was disguised. All data collected from the factories were in aggregate summarised form in which no individuals could be identified. The names and the personal information of the people in the factories are not disclosed or identified in the survey results and reports, nor in any published articles.

4) Ethics approval was obtained from the University of South Australia HREC (Human Resources Ethics Committee) before starting to collect data.

## 3.6. Research Tools

### 3.6.1. Hypothesis 1

*The fit of the change with the VMV of the factory is positively related to the commitment to change among employees.*

There was measurement of the two parts of the hypothesis as described in Parts i) and ii) below.

i) Measure of fit with vision, mission and values (VMV)

As the findings relating to Hypothesis 1 in this research study would contribute to expanding the scope of the studies of Parish et al. (2008), the measures used by Parish et al. (2008) were adopted. According to Parish et al. (2008), they adopted the measure of 'fit of the organisational change with the vision of the organisation' from the instrument used by Noble and Mokwa (1999), and the measure of 'employees' commitment to change' from Herscovitch and Meyer (2002). Both measures had been vigorously developed and generated by Noble and Mokwa (1999) and Herscovitch and Meyer (2002), and the validity and reliability had been well tested in the studies by Parish et al. (2008), and in the studies by Herscovitch and Meyer (2002) as well as by Noble and Mokwa (1999).

Findings from Parish et al. (2008) showed that fit of the organisational change with the vision of the organisation was positively correlated with employees' commitment to the change. Hence, the study by Parish et al. (2008) on 'fit of the organisational change with the vision' was expanded to include the additional items of mission and values. The new study became a measure of 'fit of the organisational change with the vision, mission and values (VMV)'. The expanded measure (with new questions added) is depicted below. The responses are in a 7-point Likert-type scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*).

1. The change is part of an overall strategic plan within my organisation.
2. The change is consistent with other things going on in my organisation.
3. The change is aligned with the vision, mission* and values* in my organisation.
4. I understand how the change fits within the vision of my organisation.
5. I understand how the change fits within the mission of my organisation.*
6. I understand how the change fits within the values of my organisation.*

* *items/questions added to the original measure of Parish et al. (2008, p. 51)*

There was analysis of the data from this expanded measure in correlation and in linear regression study with the findings from the measure on commitment to change as described in Part ii) below. If positive correlation and linear relationship resulted, this would support the hypothesis that the "fit of the organisational change with VMV" will enable "employees' commitment to the change".

ii) Measure of employees' commitment to change

The measure used by Parish et al. (2008) was adopted. The questions are shown below. The responses are in a 7-point Likert-type scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*).

7. I believe in the value of this change.
8. This change is a good strategy for this organisation.
9. This change serves an important purpose.
10. Things would be better because of this change.
11. I feel a sense of duty to work toward this change.
12. I do not think it would be right of me to oppose this change.
13. I would feel guilty about opposing this change.
14. I feel obligated to support this change.

*(Parish et al., 2008, pp. 51–52)*

As mentioned before, the data collected were correlated and the linear regression analysed with the findings on 'fit of the organisational change with VMV' in Part i) above. This adopted and followed the approach of Parish et al. (2008). See Appendix 1 of this dissertation for the measures and questionnaire.

### 3.6.2. Hypothesis 2

*The perceived implementation success of the PM system among managers is positively related to that among employees.*

There was measurement of the perceptions of implementation success of two levels of the staff, the managers and the employees.

i) Managers [Section Heads/Team Heads]

The tool used by Hacker and Washington (2004, p. 56) was adopted to measure the implementation success of a performance management system in the government of Botswana in Africa. The tool includes measurement of the following areas:

- well-defined key result areas and goals
- well-defined objectives
- well-defined measurement process
- well-established reviews
- performance management system (PMS) — responsibilities being defined and visible to different levels of managers/heads
- continuous improvement processes.

The responses are in a 5-point scale ranging from 1 (*not implemented*) to 5 (*completely implemented*).

The tool was designed for managerial staff in Hacker and Washington's (2004) study. According to Hacker and Washington (2004), in addition to being a measurement mechanism, this tool provides 'hard data' (p. 57) and yardsticks to make everyone clear about and well aware of the progress of the change. Also, this tool can check which part of the change process is lacking.

As discussed in Chapter 2, Miller (1997: p.583) has advocated a three-dimensional measure to assess implementation success which includes i) completion (everything intended to be done is completed, within the expected time period), ii) achievement

(what has been done performs as intended), and iii) acceptability (means of implementation and outcomes are satisfactory to those involved in, or affected by, implementation). This three-dimensional measure comprehensively assesses the implementation success of a change.

The questionnaire from Hacker and Washington (2004) concretely and clearly measures the components, steps, 'desired results' (Hacker and Washington, 2004; p. 57) and achievements in each step to be attained in implementation of a PM system. This questionnaire reflects two of Miller's (1997) three dimensions well, namely 'completion' and 'achievement', and is considered appropriate for the implementers (managers)[25] of the change. This questionnaire was adapted for the managers in the two factories in this research study. See Appendix 2 of this dissertation for the measures and questionnaire.

ii) Employees [Unit/Line/Workstation Heads (Supervisors) and Frontline Workers]

There was adoption of the measures used by Parish et al. (2008), and by Ford (2009) in their studies of change efforts and implementation success of organisation change.

Burke and Litwin (1992), Ford (2009), and Tushman and O'Reilly (1997) have applied the three-dimensional measure of Miller (1997) to evaluate implementation success in their studies. From the approach of the three-dimensional measure, there was adoption of Ford's (2009) measures in Questions 3-7 of the measure of employees' perceptions of the implementation success of the PM system. The

[25] Given the managers were the leaders and implementers to set up the PM system in this research study, it is considered not appropriate to include the dimension 'acceptability' in the measure of managers.

validity and reliability of these five questions had been well tested in the study of Ford (2009).

Questions 1, 2 and 8 in the measure of employees' perceptions of the implementation success of the PM system were adopted from Parish et al. (2008). According to Parish et al. (2008), they adopted these three questions from the instrument used by Noble and Mokwa (1999). Noble and Mokwa (1999) had developed and generated the instrument from a 'review of related literature, insights from qualitative study, and discussions with researchers in related fields' (p. 64), then purified the measures using a card sort task (Kinicki et al., 1986). The instrument had been well developed and generated, and the validity and reliability had been well tested in the studies by Noble and Mokwa (1999), and by Parish et al. (2008).

This combined use of questions from Ford (2009) and from Parish et al. (2008) makes the measure for the employees comprehensive, covering all three dimensions (completion; achievement; acceptability) of Miller (1997). Given employees were recipients of the change in this research study, the third dimension 'acceptability' is particularly relevant to measure employees' satisfaction with the change. The following are the questions in the questionnaire. The responses are in a 7-point Likert-type scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*).

1. The implementation of this change to set up a performance management system in our organisation was effective.
2. Our implementation effort on the strategy to set up a performance management system in our organisation was effective.
3. This change to set up a performance management system in our organisation has a positive impact on our business results.

4. This change to set up a performance management system in our organisation has a positive result on the behaviours among employees to meet the organisation's goals and objectives.
5. I feel satisfied with the change to set up a performance management system in our organisation.
6. I feel satisfied with the implementation result of the change to set up a performance management system in our organisation.
7. I consider the implementation of a performance management system in our organisation is towards completion.
8. I consider the implementation of a performance management system in our organisation is a success.

*(Questions 1, 2 and 8 from Parish et al., 2008, p. 54; Questions 3-7 from Ford, 2009, p. 320)*

As to the three dimensions of Miller (1997), Questions 1-4 are on 'achievement', Questions 5-6 on 'acceptability', Questions 7 on 'completion', and Question 8 on 'completion' and 'achievement'. See Appendix 3 of this dissertation for the measures and questionnaire.

iii) Rescaling of Data during Testing Stage of Hypothesis

In view of the measure of managers in a 5-point scale, and employees in a 7-point scale, the approach of Dawes (2007) is adopted to rescale the 5- and 7-point scales to a comparable 10-point format during the testing stage of Hypothesis 2. In the study of Dawes (2007), the 5- and 7-point scales were rescaled to a comparable mean score out of ten. The result showed that there was very little difference in terms of the variation about the mean, skewness and kurtosis after the data were rescaled. Dawes

(2007) concluded that 5- and 7-point scales can be rescaled with the resultant data being comparable.

### 3.6.3. Hypothesis 3

*Implementation of a PM system enhances job satisfaction among employees*

To measure job satisfaction, a questionnaire adopted from Oshagbemi (1999) was used. In the questionnaire, respondents answer three questions to indicate i) an estimate of the amount of time they feel satisfied with the job; ii) their love/hatred towards the job; and iii) feelings about changing the job. According to Oshagbemi (1999), this job satisfaction questionnaire is simple and can be applied to different occupations and categories of workers. Its simplicity enables easy comparison of survey findings among different groups of respondents, and if for the same group, the survey results in different times and periods, such as in pre and post-intervention periods. This job satisfaction questionnaire was also used in studies by Larkin (1990), and Oshagbemi (1995; 1997).

Given the surveys on job satisfaction were measured in pre and post-tests (before and after intervention to set up the PM system), this questionnaire was very suitable for the research situation in this study. The following are the questions in the questionnaire.

I. Which one of the following indicates how much of the time you feel satisfied with your job?

    1. Never
    2. Seldom
    3. About half of the time
    4. Most of the time
    5. All of the time

II. Which one of the following statements best describes how you feel about your job?

1. I hate it
2. I dislike it
3. I am indifferent to it
4. I like it
5. I love it

III. Which one of the following statements best describes how you feel about changing your current job?

1. I wish to quit it
2. I wish to change it soon
3. I am not sure if I wish to change it
4. I am not eager to change it
5. I would not change it

See Appendix 4 of this dissertation for the questionnaire.

To sum up for the research tools, all the measures and questionnaires were derived and adapted from studies already conducted before in the literature. This helps with the validity and reliability of the measures in this study, and expands the generalisability of the findings (Meredith, 1998).

### 3.7. Supplementary Quantitative Data on Benefits of Implementing PM System

As mentioned before, the factory management quantitatively filled in a form on the aggregate summary data on employees' performance twice, one in the Pre-intervention Stage, another one in the Post-intervention Stage. The aggregate summarised data are on a) evaluation of employee performance by their direct supervisors, b) labour productivity, and c) employees' turnover and absenteeism rates.

i) Evaluation of Employee Performance by Direct Supervisors

Effectiveness of employee performance can be measured objectively under count of the results of work (Guion, 1965), such as output rates or sales amount. There are also judgemental measures in which, according to Campbell et al. (1993), the evaluations are through expert judgements. Employees' supervisors are often engaged in these expert judgements (Landy and Counte, 2004) to assess the job performance of employees on different aspects.

Ratings by direct supervisors are essential first-hand references to measure employees' performance (Armstrong, 2009; Dessler and Tan, 2006; Landy and Conte, 2004). Luthans et al. (2005) and Zimmerman and Darnold (2009) used ratings by direct supervisors as references to measure employee performance in their studies. In this research study, ratings by direct supervisors were adopted as a reference to assess the benefits of implementing the PM system.

ii) Labour Productivity

Boselie and Dietz (2003) found that labour productivity of employees has been used most frequently as an outcome variable in the HRM literature. Also, the US Bureau of Labour Statistics (2004) mentioned that 'Output per hour of all persons — labour productivity — was the most commonly used productivity measure'. Hence, labour productivity was used as a measure to assess whether implementing the PM system increased the output of the workforce.

iii) Employee Turnover and Absenteeism

It is widely accepted that withdrawal behaviour of turnover and absenteeism can be used to assess the overall performance among employees in an organisation (Bonavia and Marin-Garcia, 2011; Cohen and Golan, 2007; Davidson et al., 2010; Falkenburg

and Schyns, 2007; Frooman et al., 2012; Yao et al., 2010; Zimmerman and Darnold, 2009). The study by Ghebregiorgis and Karsten (2007) showed that HRM practices had a significant impact on employee turnover and absenteeism. The study of Abdullah et al. (2011) showed that a lack of performance appraisal contributed to turnover intentions of employees, and the study of Lee and Jimenez (2011) showed PM reduced turnover intention.

In this study there was comparison of employee turnover and absenteeism before and after the implementation of the PM system. Aggregate figures were collected on turnover and absenteeism from the two factories.

See Appendix 7 for the form filled in by the factory management.

### 3.8. Pre-research and Post-intervention Meetings with Factory Management

There were a pre-research meeting and a post-intervention meeting with the management of the two factories. The senior officer who championed the change in the two factories attended these meetings (this senior officer was the only representative from both factories in attending these pre-research and post-intervention meetings). Both meetings lasted for around 40-45 minutes. In the pre-research meeting, the factory management described some general facts about the factories (including their organisation, products, number of staff and their profiles), the challenges and difficulties they were facing, the aims of implementing the PM system in the factory, and the adoption of Kotter's 8-step Model by the factories to implement the change.

In the post-intervention meeting, the following information was collected from the factory management:

i) Whether the only new intervention/practice launched in HRM in the two factories in the research period was the implementation of the PM system.

ii) Whether there was change to a) employees' pay levels, and b) the overall earnings of employees in the research period.

iii) Whether there was change to the overall work deployment of employees, the nature of their work, and their overall working environment and conditions, including any change to the production machines and resources (e.g. better materials; better equipment) in the research period.

iv) Whether in the research period, except for implementation of the PM system, there was major change to the methods and systems to manage the employees, or major change or reshuffle to the teams/sections that employees worked under.

v) Major activities by the management to fit in with the suggestions in Kotter's model during the implementation of the PM system.

vi) The overall practice of the pilot PM system in the two factories.

vii) Follow-ups by the management to utilise the initial results of the pilot implementation of the PM system in the factories to consolidate, reinforce and produce more change (Step 7 in Kotter's model), and anchor the new approaches factory-wide in the new corporate culture (Step 8 in Kotter's model).

Information from i) – iv) aimed to rule out other possible factors, other than the implementation of the PM system, that might have enhanced (1) job satisfaction in the research period, and (2) improvement in post-implementation data of a) evaluation of employee performance by direct supervisors, b) labour productivity of employees, and c) employee turnover and absenteeism. Input from v) and vi) aimed to get more information on the adoption of Kotter's model during the implementation of the PM system to gain more insights and to add value to this research study.

These pre-research and post-intervention meetings with the factory management are put under the purview of unstructured interviews[26] (Bryman, 2001) for data collection. The information collected in the meetings will be cited as evidence for the findings and analysis in Chapter Four of this research study. Information from the meetings serves as qualitative input, which, according to Davis (2005, p. 307), is a good complement to the data collected in the quantitative approach, the key research methodology in this research study.

The information collected from the interviews was summarized and information related to how Kotter's 8-step model was adopted in the change was then extracted for reporting in Chapter Four of the dissertation. As will be discussed in Chapter Four below, information from the post-intervention meetings provides good insights on the adoption of Kotter's model in implementation of the PM system in the two factories.

[26] According to Bryman (2001), in unstructured interviews, the interviewer does not enter into an interview setting with a list of pre-determined questions, but the interviewer has a clear orientation and drives the dialogues accordingly.

# CHAPTER FOUR

# FINDINGS AND ANALYSIS

This research study comprised two longitudinal studies of two factories in Dongguan City in the Pearl River Delta, Guangdong Province, Mainland China. The findings and analysis are presented in five parts: I) Findings in the Pre-intervention Stage; II) Findings for Hypothesis 1; III) Findings for Hypothesis 2; IV) Findings for Hypothesis 3, and V) Findings in the Post-intervention Stage of a) evaluation of employee performance by direct supervisors; b) labour productivity of employees; c) employee turnover and absenteeism.

## 4.1. Findings in the Pre-intervention Stage

These were the data collected before the start of any intervention in the two factories. The data included:

i) results of job satisfaction survey on employees;

ii) evaluation of employee performance by supervisors in an aggregate summary;

iii) labour productivity of employees; and

iv) employee turnover rate and absenteeism rate in aggregate summaries.

Table 3 shows the data from the two factories.

**Table 3: Pre-intervention Data from the Two Factories**

| **Item** | **Plastics factory** *(as at 15 March 2012)* | **Machinery factory** *(as at 15 May 2012)* |
|---|---|---|
| Evaluation of employee performance by direct supervisors (aggregate summary) | 78.5% (against 100% as the full mark) | 3.3 against the full mark of 5, or 66% against 100% as the full mark |
| Labour productivity of employees | 86%, with wastage rate at 6.9% | 60% |
| Employee turnover rate | 4.4% | 5% |
| Absenteeism rate | 16% | 5% |
| Survey of job satisfaction | See below under '*Results of Survey of Job Satisfaction*' | |

### 4.1.1. Situations of the Two Factories

The data from the plastics factory showed the factory had a high absenteeism rate and wastage rate, while the employee turnover rate was at a medium level. Evaluation of employee performance by direct supervisors was not high. On the absenteeism rate, according to factory management, as there were not many production orders in the pre-intervention period, they allowed employee absences to help alleviate the over-capacity in the factory. The factory had been facing the need to seek sufficient orders during the whole research period (March-July 2012).

The data from the machinery factory showed that the turnover rate and the absenteeism rate were at a medium level. The evaluation of employee performance by direct supervisors was low, at 66 per cent, and labour productivity was low as well, at 60 per cent. From the literature, Kim and Gao (2010), Singh et al. (2010) and Zheng et al. (2009) have advocated the use of a PM system to improve organisational performance. It appears that the implementation of the PM system could be a way by the machinery factory to improve labour productivity and overall employee performance.

### 4.1.2. Results of Survey of Job Satisfaction

Figure 2 shows the measure of job satisfaction.

Job Satisfaction Survey (Oshagbemi, 1999: p.392)

I. Which one of the following indicates how much of the time you feel satisfied with your job?

1. Never
2. Seldom
3. About half of the time
4. Most of the time
5. All of the time

II. Which one of the following statements best describes how you feel about your job?

1. I hate it
2. I dislike it
3. I am indifferent to it
4. I like it
5. I love it

III. Which one of the following statements best describes how you feel about changing your current job?

1. I wish to quit it
2. I wish to change it soon
3. I am not sure if I wish to change it
4. I am not eager to change it
5. I would not change it

**Figure 2: Measure of Job Satisfaction**

Table 4 shows the results of the pre-intervention job satisfaction survey on employees.

**Table 4: Results of Pre-intervention Job Satisfaction Survey**

| | Plastics factory (conducted in early March 2012) 165 questionnaires were sent out, 69 were returned (return rate: 41.8%) | | | | | | | | Machinery factory (conducted in early May 2012) 36 questionnaires were sent out, 20 were returned (return rate: 55.6%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD* | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD* |
| **I** | 7 | 23 | 12 | 13 | 14 | 69 | 2.94 | 1.33 | 0 | 7 | 6 | 7 | 0 | 20 | 3.00 | 0.86 |
| **II** | 4 | 26 | 23 | 8 | 8 | 69 | 3.15 | 1.09 | 1 | 12 | 6 | 1 | 0 | 20 | 3.65 | 0.67 |
| **III** | 9 | 15 | 13 | 16 | 16 | 69 | 2.78 | 1.37 | 0 | 5 | 7 | 6 | 2 | 20 | 2.75 | 0.97 |

*SD = Standard deviation

For the plastics factory, the Cronbach's alpha is 0.789 which shows good internal consistency in the measurement (Cronbach, 1951). The overall mean of the data is 2.96, below the mid-point '3'. The overall standard deviation is 1.27 which shows the spread in the measurement is not high.

As to the machinery factory, Cronbach's alpha is 0.150. The overall mean of the data is 3.13, higher than the mid-point '3'. The overall standard deviation is 0.91 which shows the spread in the measurement is not high.

The overall mean of the plastics factory at 2.96 (below the mid-point) may be partly attributed to the fact that, during the time of the survey, there were not many production orders in the factory, which might have resulted in lower earnings for the employees, especially the frontline workers. Moreover, according to the factory management, they could only offer on average around Renminbi $1,100 for the basic monthly wage to an ordinary frontline worker, while the average on the market during the time of the survey, as quoted by the management of the factory, was around Renminbi $1,300. Such lower earnings might have affected the respondents' answers in the job satisfaction survey.

Cronbach's alpha for the machinery factory is 0.150, which suggests low internal consistency in the measurement. This job satisfaction survey was adopted from Oshagbemi (1999, p. 392) and it has been tested and validated by Oshagbemi (1999). Also, this job satisfaction survey was conducted on four occasions in this research study. The Cronbach's alpha for the other 3 occasions was near or greater than the acceptable level of 0.7 as advocated by Cronbach (1951). Cronbach's alpha is 0.789 for the plastics factory in the pre-intervention stage. In the post-intervention stage, Cronbach's alpha for the plastics factory is 0.719, and for the machinery factory, it is 0.643[27] (near the acceptable level of 0.7). (This low Cronbach's alpha in the

[27] According to Hair et al. (2006), Cronbach's alpha at 0.6 or higher is acceptable for a study with a small sample size.

pre-intervention stage in the machinery factory will be further examined below in '*Analysis of Data from the Survey of Job Satisfaction*'.)

### 4.1.3. Analysis of Data from the Survey of Job Satisfaction

**Table 5: Analysis of Data from Pre-intervention Job Satisfaction Survey**

| | *Plastics factory* | | | | | | *Machinery factory* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | Mean | SD | % of responses on '5' and '4' (positive side) | % of responses on '1' and '2' (negative side) | Difference between responses on '5' or '4' vs '1' or '2' | Responses on the mid-point '3' (neutral) | Mean | SD | % of responses on '5' and '4' (positive side) | % of responses on '1' and '2' (negative side) | Difference between responses on '5' or '4' vs '1' or '2' | Responses on the mid-point '3' (neutral) |
| **I** | 2.94 | 1.33 | 43.5% | 39.1% | 4.4% | 17.4% | 3.00 | 0.86 | 35.0% | 35.0% | 0.0% | 30.0% |
| **II** | 3.15 | 1.09 | 43.5% | 23.2% | 20.3% | 33.3% | 3.65 | 0.67 | 65.0% | 5.0% | 60.0% | 30.0% |
| **III** | 2.78 | 1.37 | 34.8% | 46.4% | -11.6% | 18.8% | 2.75 | 0.97 | 25.0% | 40.0% | -15.0% | 35.0% |

For the plastics factory, the above data show that the mean for Question II is 3.15, above the mid-point. For Question I, it is 2.94, marginally below the mid-point, and for Question III, it is 2.78, on the negative side. For Question III, the percentage on the positive side ('5' and '4') is 11.6 per cent lower than the negative side ('1' and '2'), while for Questions I and II, the overall distribution of responses is more on the positive side than the negative.

As mentioned above, the basic monthly wage for an ordinary frontline worker in the plastics factory was on average around Renminbi $1,100, which was lower than the market average of Renminbi $1,300. This might be reflected in the measure of Question III (overall mean at 2.78, lower than the mid-point '3') in which there are more responses on 'I wish to quit it'/'I wish to change it soon' rather than 'I would not change it'/'I am not eager to change it'. The findings here are consistent with a study in

China by Tian-Foreman (2009) which showed that satisfaction with pay was found to be negatively correlated with turnover intention in a leading Chinese fashion retail chain.

For the machinery factory, the data show the mean for Question I is 3, for Question II it is 3.65, above the mid-point, while for Question III it is 2.75, on the negative side. For Question III, the percentage on the negative side is 15% more than the positive, while for Question I, the percentage on the positive and the negative is the same. For Question II, there is 65% on the positive side, with just 5% on the negative, showing that many employees like their job.

With 60 per cent labour productivity, it might be inferred that the machinery factory might not have the revenue to pay the desired earnings of some employees, who might want to leave to get higher paid jobs in other factories. This might partly explain why the responses on the negative side are more than the positive for Question III.

Cronbach's alpha for the machinery factory is 0.150. Data from the three questions from the machinery factory show that for Question I, the responses on the positive and the negative sides are the same, while for Question II, there is 65% on the positive side, but just 5% on the negative, and for Question III, the negative is 15% more than the positive. This may explain the Cronbach's alpha at 0.150, showing a low internal consistency for this job satisfaction survey of the machinery factory.

### 4.1.4. Summing up of the Two Factories in the Pre-intervention Stage

To sum up, data from the pre-intervention stage show that in the plastics factory labour productivity, evaluation of employee performance by direct supervisors, and job

satisfaction among employees were not high. In the machinery factory, while the overall mean in the job satisfaction survey was 3.13 (higher than the mid-point '3'), both labour productivity and evaluation of employee performance by direct supervisors were low, respectively at 60 per cent and 66 per cent.

Findings in the pre-intervention stage shed light on the reasons for the management of the two factories to implement a PM system: to improve labour productivity and employee performance, and to improve job satisfaction among employees (the management of the two factories revealed these reasons to implement a PM system in the pre-research meetings).

## 4.2. Findings for Hypothesis 1

Hypothesis 1 was tested at the start of the intervention to implement the PM system in the factory. There was measurement of the correlation and linear regression of "fit of organisational change with vision, mission and values (VMV) of the organisation" with "employees' commitment to change". The participants for Hypothesis 1 were the group under intervention, that is, half of the employees in the production department of the factory selected by the factory management by proportionate stratified random selection.

Data collected from a) fit of organisational change with vision, mission and values (VMV) of the organisation were put in a linear regression analysis and correlated with b) employees' commitment to change. Positive results would support the hypothesis that "fit of the organisational change with VMV of organisation" enabled "employees' commitment to the change".

Figure 3 shows the measure of Hypothesis 1.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1. | The change is part of an overall strategic plan within my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 2. | The change is consistent with other things going on in my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 3. | I believe in the value of this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 4. | This change is a good strategy for this organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 5. | This change serves an important purpose. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 6. | Things would be better because of this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 7. | The change is aligned with the vision, mission and values in my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 8. | I understand how the change fits within the vision of my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 9. | I understand how the change fits within the mission of my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 10. | I understand how the change fits within the values of my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 11. | I feel a sense of duty to work toward this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 12. | I do not think it would be right of me to oppose this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 13. | I would feel guilty about opposing this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 14. | I feel obligated to support this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |

*[Questions adopted from Parish et al. (2008: pp.51-52); Questions 1-2, 7-10 are on 'fit of organisational change with vision, mission and values (VMV) of organisation' while Questions 3-6, 11-14 are on 'employees' commitment to change']*

**Figure 3: Measure of Hypothesis 1**

### 4.2.1. Data Collected from Survey

**Table 6: Data Collected from Survey on Fit with VMV and Employees' Commitment to the Change**

| | Plastics factory (conducted in mid-March 2012) 165 questionnaires were sent out, 118 were returned (return rate: 71.5%) | | | | | | | | | | Machinery factory (conducted in mid-May 2012) 36 questionnaires were sent out, 23 were returned (return rate: 63.9%) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | **7** | **6** | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD | **7** | **6** | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD |
| **1** | 11 | 39 | 16 | 27 | 3 | 6 | 16 | 118 | 4.54 | 1.87 | 5 | 12 | 3 | 3 | 0 | 0 | 0 | 23 | 5.83 | 0.94 |
| **2** | 5 | 24 | 16 | 31 | 8 | 24 | 10 | 118 | 3.94 | 1.73 | 5 | 7 | 5 | 3 | 1 | 2 | 0 | 23 | 5.26 | 1.51 |
| **3** | 8 | 37 | 24 | 24 | 5 | 14 | 6 | 118 | 4.60 | 1.64 | 7 | 8 | 3 | 4 | 0 | 1 | 0 | 23 | 5.65 | 1.34 |
| **4** | 14 | 23 | 21 | 31 | 8 | 13 | 8 | 118 | 4.43 | 1.73 | 5 | 10 | 4 | 1 | 0 | 3 | 0 | 23 | 5.44 | 1.56 |

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **5** | | 15 | 28 | 24 | 20 | 9 | 14 | 8 | 118 | 4.54 | 1.79 | | 8 | 6 | 4 | 4 | 1 | 0 | 0 | 23 | 5.70 | 1.26 |
| **6** | | 9 | 32 | 21 | 21 | 10 | 16 | 9 | 118 | 4.36 | 1.78 | | 7 | 5 | 4 | 4 | 0 | 3 | 0 | 23 | 5.26 | 1.69 |
| **7** | | 4 | 37 | 21 | 26 | 10 | 14 | 6 | 118 | 4.43 | 1.61 | | 6 | 6 | 4 | 5 | 0 | 2 | 0 | 23 | 5.30 | 1.52 |
| **8** | | 5 | 38 | 16 | 27 | 11 | 15 | 6 | 118 | 4.41 | 1.65 | | 5 | 8 | 3 | 5 | 0 | 2 | 0 | 23 | 5.30 | 1.49 |
| **9** | | 4 | 37 | 25 | 27 | 8 | 11 | 6 | 118 | 4.53 | 1.55 | | 5 | 7 | 3 | 6 | 0 | 2 | 0 | 23 | 5.21 | 1.51 |
| **10** | | 5 | 33 | 17 | 32 | 11 | 15 | 5 | 118 | 4.36 | 1.59 | | 6 | 7 | 2 | 6 | 0 | 2 | 0 | 23 | 5.30 | 1.55 |
| **11** | | 13 | 39 | 17 | 23 | 8 | 12 | 6 | 118 | 4.71 | 1.71 | | 6 | 8 | 4 | 3 | 0 | 2 | 0 | 23 | 5.48 | 1.47 |
| **12** | | 6 | 34 | 17 | 23 | 14 | 16 | 8 | 118 | 4.28 | 1.72 | | 2 | 7 | 2 | 8 | 1 | 0 | 3 | 23 | 4.52 | 1.78 |
| **13** | | 8 | 24 | 16 | 25 | 11 | 23 | 11 | 118 | 3.99 | 1.82 | | 5 | 3 | 4 | 7 | 1 | 3 | 0 | 23 | 4.78 | 1.65 |
| **14** | | 15 | 35 | 24 | 23 | 2 | 11 | 8 | 118 | 4.77 | 1.72 | | 5 | 8 | 3 | 5 | 1 | 1 | 0 | 23 | 5.35 | 1.40 |

The overall mean, standard deviation and Cronbach's alpha for the data collected are shown in Table 7.

**Table 7: Overall Mean, Standard Deviation and Cronbach's Alpha for Data from Survey on Fit with VMV and Employees' Commitment to the Change**

| | **Plastics Factory** | | | | **Machinery Factory** | | | |
|---|---|---|---|---|---|---|---|---|
| ***Measure*** | ***N*** | ***Mean*** | ***SD*** | ***Cronbach's Alpha*** | ***N*** | ***Mean*** | ***SD*** | ***Cronbach's Alpha*** |
| All Questions (Q. 1-14) | 118 | 4.42 | 1.72 | 0.946 | 23 | 5.31 | 1.50 | 0.947 |
| Fit of organisational change with VMV of organisation (Q. 1-2; Q. 7-10) | 118 | 4.37 | 1.68 | 0.878 | 23 | 5.37 | 1.43 | 0.954 |
| Employees' commitment to the change (Q. 3-6; Q. 11-14) | 118 | 4.46 | 1.75 | 0.910 | 23 | 5.27 | 1.55 | 0.855 |

The data in Table 7 show good internal consistency in the measures (Cronbach's alpha ranging from 0.855 to 0.947). The standard deviation is from 1.43 to 1.75, showing the spread in the measurement is not high. The overall mean is all on the positive side, ranging from 4.37 to 5.37.

### 4.2.2. Pearson Coefficient and Linear Regression

Tables 8a and 8b show the data.

**Table 8a: Means, Standard Deviations, Cronbach's Alpha and Pearson Coefficient for H1**

| | Plastics Factory | | | | Machinery Factory | | | |
|---|---|---|---|---|---|---|---|---|
| ***Variable*** | ***Mean*** | ***SD*** | ***1*** | ***2*** | ***Mean*** | ***SD*** | ***1*** | ***2*** |
| **1.** fit of organisational change with VMV of organisation | 4.37 | 1.68 | (0.878) | | 5.37 | 1.43 | (0.954) | |
| **2.** employees' commitment to the change | 4.46 | 1.75 | 0.637 | (0.910) | 5.27 | 1.55 | 0.557 | (0.855) |

*Note: Entries in parentheses are Cronbach's Alpha*

*Plastics Factory: N=118 Machinery Factory: N=23*

**Table 8b: Linear Regression for H1**

Multiple regression analysis was conducted under SPSS Statistics. All questions on "fit of organisational change with VMV of the organisation" (Questions 1-2 and 7-10) were input as independent variables in the analysis. Then each question under "employees' commitment to change" (Questions 3-6 and 11-14) was in turn input as the dependent variable. The following tables show the results:

A) Plastics Factory

| | *$R^2$* | *Adjusted $R^2$* | *F-ratio (6, 16)* | *(ANOVA) Sig.* |
|---|---|---|---|---|
| Q.3 | *0.541* | *0.516* | *21.820* | *0.000* |
| Q.4 | *0.655* | *0.637* | *35.183* | *0.000* |
| Q.5 | *0.650* | *0.631* | *34.378* | *0.000* |
| Q.6 | *0.637* | *0.617* | *32.454* | *0.000* |
| Q.11 | *0.565* | *0.542* | *24.043* | *0.000* |
| Q.12 | *0.358* | *0.324* | *10.334* | *0.000* |
| Q.13 | *0.346* | *0.311* | *9.787* | *0.000* |
| Q.14 | *0.512* | *0.486* | *19.406* | *0.000* |

*$R^2$= Coefficient of Determination Sig.= Statistical Significance*

*Note: All 6 questions (Q.1- Q.2; Q.7- 10) together as independent variables.*

B) Machinery Factory

| | $R^2$ | Adjusted $R^2$ | F-ratio | (ANOVA) Sig. |
|---|---|---|---|---|
| Q.3 | 0.715 | 0.608 | $F(6, 16)$ 6.680 | 0.001 |
| Q.4 | 0.910 | 0.876 | $F(6, 16)$ 26.994 | 0.000 |
| Q.5 | 0.678 | 0.558 | $F(6, 16)$ 5.624 | 0.003 |
| Q.6 | 0.824 | 0.759 | $F(6, 16)$ 12.517 | 0.000 |
| Q.11 | 0.946 | 0.925 | $F(6, 16)$ 46.532 | 0.000 |
| Q.12 | 0.127 | -0.201 | $F(6, 16)$ 0.387 | 0.876 |
| Q.12 (exclude 3 outliers) ^ | 0.487 | 0.250 | $F(6, 13)$ 2.058 | 0.129 |
| Q.13 | 0.647 | 0.514 | $F(6, 16)$ 4.879 | 0.005 |
| Q.14 | 0.770 | 0.684 | $F(6, 16)$ 8.952 | 0.000 |

*$R^2$ = Coefficient of Determination  Sig. = Statistical Significance*

*Note: All 6 questions (Q.1- Q.2; Q.7- 10) together as independent variables.*

^ There are three outliers from the machinery factory. Except Q.12, every question in the measure received a '7' rating from all these three respondents. For Q.12, they all marked '1' in the rating.

From data in Table 8a, the results of the Pearson coefficient show a positive correlation between the two measures in the two factories. For the linear regression reported in Table 8b, all $R^2$ are positive. Except Q.12 and 13 in the plastics factory, and Q.12 in the machinery factory, all $R^2$ are greater than 0.5. For the ANOVA statistical significance, all are below 0.001 for the plastics factory. For the machinery factory, except Q.12, all are below 0.005. For Q.12, if the three outliers are excluded, the $R^2$ increases from 0.127 to 0.487, and the statistical significance from 0.876 to 0.129.

The overall mean of the two measures in both factories are higher than the mid-point '4' in the 7-point Likert scale. *t* tests of two sample means were also conducted for the two measures. The *t* test *p*-value was 0.275 for the plastics factory, and 0.562 for the machinery factory. Both *t* test *p*-values are noticeably greater than the 0.05 alpha level of significance.

From the above data, it is observed that "fit of the organisational change with the VMV of the organisation" enabled "employees' commitment to the change" in both factories at the start of the implementation of the PM system.

### 4.2.3. Analysis of Data from the Survey

**Table 9: Data on 'Fit of Organisational Change with VMV of Organisation' Under Questions 1-2, and 7-10**

| | *Plastics factory* | | | | | | *Machinery factory* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | Mean | SD | % of responses on '7' (*strongly agree*), '6' (*agree*) or '5' (*agree somewhat*) | % of responses on '1' (*strongly disagree*), '2' (*disagree*) or '3' (*disagree somewhat*) | Difference between responses on '7', '6' or '5' vs '1', 2' or '3' | Responses on the mid-point '4' (*neutral*) | Mean | SD | % of responses on '7' (*strongly agree*), '6' (*agree*) or '5' (*agree somewhat*) | % of responses on '1' (*strongly disagree*), '2' (*disagree*) or '3' (*disagree somewhat*) | Difference between responses on '7', '6' or '5' vs '1', 2' or '3' | Responses on the mid-point '4' (*neutral*) |
| **1** | 4.54 | 1.87 | 55.9% | 21.2% | 34.7% | 22.9% | 5.83 | 0.94 | 87% | 0% | 87% | 13% |
| **2** | 3.94 | 1.73 | 38.1% | 35.6% | 2.5% | 26.3% | 5.26 | 1.51 | 73.9% | 13% | 60.9% | 13% |
| **7** | 4.43 | 1.61 | 52.5% | 25.4% | 27.1% | 22.1% | 5.30 | 1.52 | 69.6% | 8.7% | 60.9% | 21.7% |
| **8** | 4.41 | 1.65 | 50% | 27.1% | 22.9% | 22.9% | 5.30 | 1.49 | 69.6% | 8.7% | 60.9% | 21.7% |
| **9** | 4.53 | 1.55 | 55.9% | 21.2% | 34.7% | 22.9% | 5.21 | 1.51 | 65.2% | 8.7% | 56.5% | 26.1% |
| **10** | 4.36 | 1.59 | 46.6% | 26.3% | 20.3% | 27.1% | 5.30 | 1.55 | 65.2% | 8.7% | 56.5% | 26.1% |

For the plastics factory, except for Question 2 for which the mean is 3.94, for all other questions the mean is from 4.36 to 4.54 which is above the mid-point '4' in the 7-point Likert scale. Moreover, for all questions, the positive side ('7', '6' and '5') has a higher percentage (ranging from 34.7% to 2.5%) than the negative side ('1', '2' and '3'). Except Question 2 of which there are close scores on the positive side and the negative

side, for all other questions the distribution of responses is more on the positive rather than the negative.

There is one point noted for the plastics factory in the survey. There are more responses on the negative side for Question 2 ('The change is consistent with other things going on in my organisation.'). These negative responses might be a result of insufficient communication, which led to employees not having a full picture that the implementation of the PM system was consistent with other things going on in the plastics factory. In the survey results for Hypothesis 2 in this research study, there are more findings on possible insufficient communication in the plastics factory, and these will be discussed in Section *4.3.2.b)* of this chapter.

As to the machinery factory, the mean for all questions is from 5.21 to 5.83 which is markedly above the mid-point '4'. Moreover, for all questions, the positive side ('7', '6' and '5') has a higher percentage (ranging from 87% to 56.5%) than the negative side ('1', '2' and '3'). It is notable that, for all questions, the overall distribution of responses is more on the positive side rather than the negative.

In sum, the overall findings from the measure of 'fit of organisational change with the vision, mission and values (VMV) of the organisation' shows the organisational change to implement a PM system in both factories was in fit (in congruence/consistent) with the VMV of the factories. (See Appendix 8 for the VMV of the two factories.)

The study of Noble and Mokwa (1999) shows there is fit of the organisational change with the vision when a change strategy is implemented in consistence/ congruence with the organisation's direction or vision. Findings from the two factories in this study not

only are consistent with the findings of Noble and Mokwa (1999), but also expand the scope of that study to 'fit of organisational change with the vision, mission and values (VMV) of the organisation'.

**Table 10: Data on 'Employees' Commitment to Change' under Questions 3-6, 11-14**

| | *Plastics factory* | | | | | | *Machinery factory* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | Mean | SD | % of responses on '7' (*strongly agree*), '6' (*agree*) or '5' (*agree somewhat)* | % of responses on '1' (*strongly disagree*), '2' (*disagree*) or '3' (*disagree somewhat*) | Difference between responses on '7', '6' or '5' vs '1', 2' or '3' | Responses on the mid-point '4' (*neutral*) | Mean | SD | % of responses on '7' (*strongly agree*), '6' (*agree*) or '5' (*agree somewhat)* | % of responses on '1' (*strongly disagree*), '2' (*disagree*) or '3' (*disagree somewhat*) | Difference between responses on '7', '6' or '5' vs '1', 2' or '3' | Responses on the mid-point '4' (*neutral*) |
| **3** | 4.60 | 1.64 | 58.5% | 21.2% | 37.3% | 20.3% | 5.65 | 1.34 | 78.3% | 4.3% | 74.0% | 17.4% |
| **4** | 4.43 | 1.73 | 49.2% | 24.6% | 24.6% | 26.3% | 5.44 | 1.56 | 82.6% | 13% | 69.6% | 4.3% |
| **5** | 4.54 | 1.79 | 56.8% | 26.3% | 30.5% | 16.9% | 5.70 | 1.26 | 78.3% | 4.3% | 74.0% | 17.4% |
| **6** | 4.36 | 1.78 | 52.5% | 29.7% | 22.8% | 17.8% | 5.26 | 1.69 | 69.6% | 13% | 56.6% | 17.4% |
| **11** | 4.71 | 1.71 | 58.5% | 22% | 36.5% | 19.5% | 5.48 | 1.47 | 78.3% | 8.7% | 69.6% | 13% |
| **12** | 4.28 | 1.72 | 48.3% | 32.2% | 16.1% | 19.5% | 4.52 | 1.78 | 47.8% | 17.4% | 30.4% | 34.8% |
| **13** | 3.99 | 1.82 | 40.7% | 38.1% | 2.6% | 21.2% | 4.78 | 1.65 | 52.2% | 17.4% | 34.8% | 30.4% |
| **14** | 4.77 | 1.72 | 62.7% | 17.8% | 44.9% | 19.5% | 5.35 | 1.40 | 69.6% | 8.7% | 60.9% | 21.7% |

For the plastics factory, except Question 13 of which the mean is marginally below the mid-point '4' at 3.99, for all other questions the mean is from 4.28 to 4.77 which is above the mid-point '4'. Moreover, for all questions, the positive side ('7', '6' and '5') has a higher percentage (ranging from 44.9% to 2.6%) than the negative side ('1', '2' and '3'). Except for Questions 12 and 13, for which the positive side is respectively 16.1% and 2.6% more than the negative, all other questions have an overall distribution

of responses noticeably more on the positive side (ranging from 44.9% to 22.8%) than the negative.

For the machinery factory, the data show that the mean for all questions ranges from 4.52 to 5.70, which is markedly above the mid-point '4'. For all questions, the percentage of the positive side ('7', '6' and '5') is markedly higher (ranging from 74% to 30.4%) than the negative side ('1', '2' and '3').

For the measure of 'employees' commitment to the change', the data from both factories show that employees overall had a positive commitment to the change at the start of the implementation of the PM system in the factories.

In the measure of 'employees' commitment to change', Questions 3-6 are on commitment to the change arising from employees' belief in the inherent benefits of the change, while Questions 11-14 are on commitment to change arising from employees' feeling of obligation to support the change (Herscovitch and Meyer, 2002; Parish et al., 2008). For Question 12 'I do not think it would be right of me to oppose this change' and Question 13 'I would feel guilty about opposing this change', there is the greatest number of responses on the negative side in both the surveys of the plastics factory (Q.12: 32.2%; Q.13: 38.1%) and the machinery factory (both Q.12 and 13: 17.4%). And in the regression analysis, there is a relatively lower Coefficient of Determination ($R^2$) for Q.12 and 13 in the plastics factory, and for Q.12 in the machinery factory.

Herscovitch and Meyer (2002) assert that many suggested strategies in implementing a change such as training, participation and empowerment tend to promote employees' belief in the inherent benefits of the change. To enhance employees' feeling of obligation to support the change, the organisation needs to make employees perceive

that the organisation has fulfilled its obligations to employees, then employees consider that cooperation in the change initiatives is a way to reciprocate. According to Herscovitch and Meyer (2002), this situation develops through socialisation. When employees receive benefits from the organisation, this induces a need and a feeling of obligation from employees to reciprocate. For Questions 12 and 13, there is a high level of obligation, as reflected in 'I do not think it would be right of me to oppose this change.' and 'I would feel guilty about opposing this change.' This may explain why there is the greatest number of responses on the negative side and a relatively lower Coefficient of Determination ($R^2$) for these two questions in the surveys in the two factories.

The studies by Ford et al. (2003), Jones et al. (2005), Rafferty and Simons (2006), Wanberg and Banas (2000), and Yang and Segal (2005) showed that positive employees' commitment to change was favourable to the implementation of change. A study by Chen et al. (2012) found that commitment to change was positively related to change in employees' performance in the change, and the studies by Herscovitch and Meyer (2002) and Meyer et al. (2007) showed that commitment to a change was a predictor of desirable behavioural support for the change. With support from the studies by Chen et al. (2012), Herscovitch and Meyer (2002) and Meyer et al. (2007), positive employees' commitment to change as found in the plastics factory and the machinery factory increased the likelihood of desirable behavioural support and performance among employees in the process of implementing the PM system.

### 4.2.4. Summing up for Hypothesis 1

Tables 11a and 11b summarise the data for Hypothesis 1 from the two factories.

**Table 11a: Summary of the Data for H1 from Two Factories---Overall Mean, Overall Standard Deviation, Cronbach's Alpha, *t* test *p*-values and Pearson Coefficient**

| | Plastics Factory | | | | | Machinery Factory | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Variable*** | ***Mean*** | ***SD*** | ***1*** | ***2*** | ***t test*** | ***Mean*** | ***SD*** | ***1*** | ***2*** | ***t test*** |
| 1. fit of organisational change with VMV of organisation | 4.37 | 1.68 | (0.878) | | | 5.37 | 1.43 | (0.954) | | |
| 2. employees' commitment to the change | 4.46 | 1.75 | 0.637 | (0.910) | 0.275 | 5.27 | 1.55 | 0.557 | (0.855) | 0.562 |

*Note: Entries in parentheses are Cronbach's alpha*

*Plastics Factory: N=118 Machinery Factory: N=23*

**Table 11b: Summary of the Data for H1 from Two Factories---Linear Regression**

A) Plastics Factory

| | $R^2$ | Adjusted $R^2$ | F-ratio (6, 16) | (ANOVA) Sig. |
|---|---|---|---|---|
| Q.3 | *0.541* | *0.516* | *21.820* | *0.000* |
| Q.4 | *0.655* | *0.637* | *35.183* | *0.000* |
| Q.5 | *0.650* | *0.631* | *34.378* | *0.000* |
| Q.6 | *0.637* | *0.617* | *32.454* | *0.000* |
| Q.11 | *0.565* | *0.542* | *24.043* | *0.000* |
| Q.12 | *0.358* | *0.324* | *10.334* | *0.000* |
| Q.13 | *0.346* | *0.311* | *9.787* | *0.000* |
| Q.14 | *0.512* | *0.486* | *19.406* | *0.000* |

*$R^2$= Coefficient of Determination Sig.= Statistical Significance*

*Note: All 6 questions (Q.1- Q.2; Q.7- 10) together as independent variables*

B) Machinery Factory

| | $R^2$ | Adjusted $R^2$ | F-ratio | (ANOVA) Sig. |
|---|---|---|---|---|
| Q.3 | *0.715* | *0.608* | *F(6, 16) 6.680* | *0.001* |
| Q.4 | *0.910* | *0.876* | *F(6, 16) 26.994* | *0.000* |
| Q.5 | *0.678* | *0.558* | *F(6, 16) 5.624* | *0.003* |
| Q.6 | *0.824* | *0.759* | *F(6, 16) 12.517* | *0.000* |
| Q.11 | *0.946* | *0.925* | *F(6, 16) 46.532* | *0.000* |

| | | | | | |
|---|---|---|---|---|---|
| Q.12 | *0.127* | *-0.201* | *F(6, 16)* | *0.387* | *0.876* |
| Q.12 *(exclude 3 outliers)* | *0.487* | *0.250* | *F(6, 13)* | *2.058* | *0.129* |
| Q.13 | *0.647* | *0.514* | *F(6, 16)* | *4.879* | *0.005* |
| Q.14 | *0.770* | *0.684* | *F(6, 16)* | *8.952* | *0.000* |

*$R^2$= Coefficient of Determination* *Sig.= Statistical Significance*

*Note: All 6 questions (Q.1- Q.2; Q.7- 10) together as independent variables*

From the summary data in Tables 11a and 11b, it is observed that 'fit of the organisational change with the VMV of the organisation' was positively related to 'employees' commitment to the change' in both the plastics factory and the machinery factory at the start of the implementation of the PM system.

A study by Parish et al. (2008) showed that "fit of the organisational change with the vision of the organisation" was positively related to "employees' commitment to the change". Findings in the two factories in this study not only are consistent with the findings of Parish et al. (2008), but also expand the scope of that study to show that "fit of organisational change with the vision, mission and values (VMV) of the organisation" is positively related to "employees' commitment to the change".

To conclude the findings for Hypothesis 1, data from both the plastics factory and the machinery factory show:

i) measures of "fit of organisational change with the vision, mission and values (VMV) of the organisation" and "employees' commitment to change" in both factories are positive;

ii) measures of "fit of organisational change with the vision, mission and values (VMV) of the organisation" with "employees' commitment to change" are in positive linear regression relationship and positive correlation in both factories; and

iii) “fit of the organisational change with the VMV of the organisation” enabled “employees’ commitment to the change” in both factories at the start of the implementation of the PM system.

Therefore Hypothesis 1, ‘The fit of the change with the VMV of the factory is positively related to the commitment to change among employees’ is supported by the findings. (See Appendix 8 for the VMV of the two factories.)

## 4.3. Findings for Hypothesis 2

The surveys for Hypothesis 2 were conducted at the end of the intervention stage to implement the PM system in the factories. The surveys measured perceptions of implementation success of the change to set up a PM system in the factory among the managers and among the employees. The managers were the section/team heads. The change was mainly implemented by them at the operational level. They were the leaders of the change in their respective sections/teams. The employees were the frontline supervisors (unit/line/workstation heads) and the frontline workers.

The measure was in two anonymous questionnaires, one for the managers, and another one for the employees.

### 4.3.1. Managers

Figure 4 shows the measure for the managers, in a 5-point scale:

*1 = Implementation not started*

*2 = Any one sub-point in this area already implemented*

*3= Any two sub-points in this area already implemented*

*4= Any three sub-points in this area already implemented*

*5= All sub-points in this area already implemented*

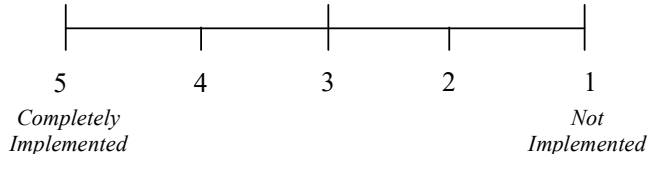
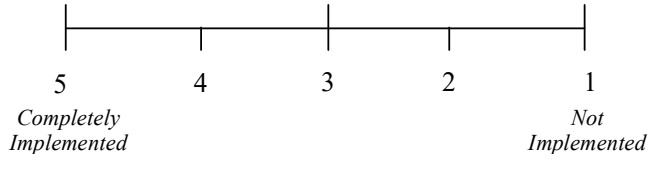
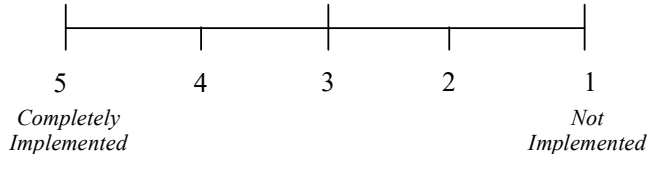
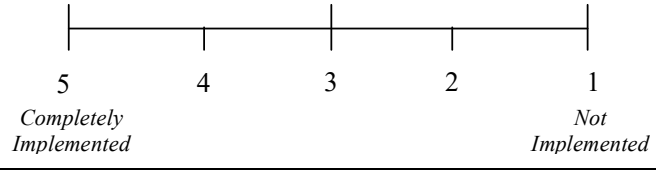
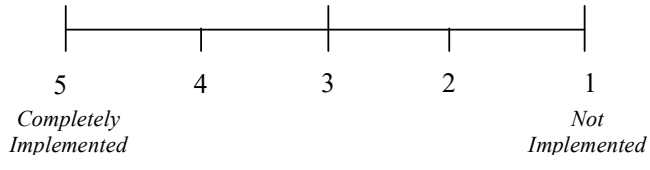
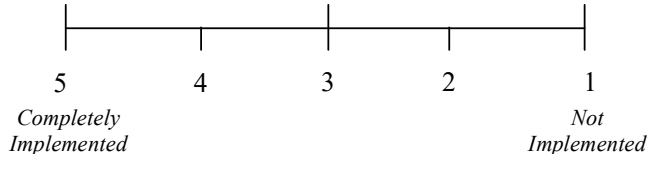
| | |
|---|---|
| 1. Well Defined Key Result Areas and Goals<br>❑ Key result areas identified<br>❑ Goals defined as appropriate<br>❑ Goals linked to organisation vision, mission and values<br>❑ Measurable goals |  |
| 2. Well Defined Objectives<br>❑ Linked to key result areas<br>❑ Measurable objectives with priorities<br>❑ Annual targets<br>❑ Annual performance plans including actions to achieve the objectives |  |
| 3. Well Defined Measurement Process<br>❑ Accepted measures<br>❑ Understanding of measures by all<br>❑ Reliable data sources<br>❑ Reliable survey mechanics and ways of collection |  |
| 4. Well Established Reviews<br>❑ Monthly reviews conducted<br>❑ Quarterly reviews conducted<br>❑ Follow-ups from prior reviews<br>❑ Discussion including plans for next quarter and longer |  |
| 5. Performance Management System (PMS) Responsibilities Being Defined and Visible in:<br>❑ General manager and assistant general managers<br>❑ Division/department heads<br>❑ Section/team heads<br>❑ Unit/line/workstation heads |  |
| 6. Continuous Improvement Processes Exist<br>❑ PMS process assessed<br>❑ Improvement efforts aligned with key result areas<br>❑ Training in PMS provided systematically and broadly<br>❑ Communication plans to keep organisation aware of the status of PMS |  |

**Figure 4: Measure of Perceived Implementation Success for Managers**

Table 12 shows the data collected from the survey.

**Table 12: Data from the Survey on Managers on Perceived Implementation Success**

| | Plastics factory (conducted at end of July 2012) 7 questionnaires were sent out, 7 were returned (return rate: 100%) | | | | | | | | Machinery factory (conducted in early October 2012) 4 questionnaires were sent out, 4 were returned (return rate: 100%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD |
| 1 | 1 | 6 | 0 | 0 | 0 | 7 | 4.14 | 0.38 | 1 | 3 | 0 | 0 | 0 | 4 | 4.25 | 0.50 |
| 2 | 6 | 1 | 0 | 0 | 0 | 7 | 4.86 | 0.38 | 2 | 2 | 0 | 0 | 0 | 4 | 4.50 | 0.58 |
| 3 | 2 | 5 | 0 | 0 | 0 | 7 | 4.29 | 0.49 | 1 | 3 | 0 | 0 | 0 | 4 | 4.25 | 0.50 |
| 4 | 1 | 6 | 0 | 0 | 0 | 7 | 4.14 | 0.38 | 1 | 3 | 0 | 0 | 0 | 4 | 4.25 | 0.50 |
| 5 | 5 | 2 | 0 | 0 | 0 | 7 | 4.71 | 0.49 | 3 | 1 | 0 | 0 | 0 | 4 | 4.75 | 0.50 |
| 6 | 1 | 6 | 0 | 0 | 0 | 7 | 4.14 | 0.38 | 1 | 3 | 0 | 0 | 0 | 4 | 4.25 | 0.50 |

For the plastics factory, Cronbach's alpha is 0.74. The overall mean of the data is 4.38 while the overall standard deviation is 0.49.

For the machinery factory, Cronbach's alpha is 0.75. The overall mean is 4.38 while the overall standard deviation is 0.5.

In both factories, all the scores are on the positive side with a high overall mean. The data showed the 7 managers in the plastics factory and the 4 managers in the machinery factory were consistent in giving scores all on the positive side in the surveys. This also reflected that these 11 managers considered the PM system had largely been implemented, and most of the items measured in the questionnaire had already been conducted and completed, including the following:

- well defined key result areas and goals
- well defined objectives
- well defined measurement process

- well established reviews
- PM responsibilities being defined and visible in different levels of managers/heads
- continuous improvement processes exist.

In application of Miller's (1997) three dimensions (completion, achievement, acceptability) of implementation success, items in the questionnaire for managers reflect two dimensions, namely 'completion' and 'achievement'. There were high scores in these two dimensions from the findings of these 11 managers.

### 4.3.2. Employees

Figure 5 shows the measure for the employees, in a 7-point scale:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1. | The implementation of this change to set up a performance management system in our organisation was effective. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 2. | Our implementation effort on the strategy to set up a performance management system in our organisation was effective. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 3. | This change to set up a performance management system in our organisation has a positive impact on our business results. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 4. | This change to set up a performance management system in our organisation has a positive result on the behaviours among employees to meet the organisation's goals and objectives. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 5. | I feel satisfied with the change to set up a performance management system in our organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 6. | I feel satisfied with the implementation result of the change to set up a performance management system in our organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 7. | I consider the implementation of a performance management system in our organisation is towards completion. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 8. | I consider the implementation of a performance management system in our organisation is a success. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |

*[Questions 1,2 and 8 from Parish et al (2008; p.54); Questions 3-7 from Ford (2009; p.32)]*

**Figure 5: Measure of Perceived Implementation Success for Employees**

Table 13 shows the data collected from the survey.

**Table 13: Data from the Survey on Employees on Perceived Implementation Success**

| | Plastics factory (conducted at end of July 2012) 165 questionnaires were sent out, 92 were returned (return rate: 55.8%) | | | | | | | | | | Machinery factory (conducted in early October 2012) 36 questionnaires were sent out, 29 were returned (return rate: 80.6%) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | **7** | **6** | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD | **7** | **6** | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD |
| **1** | 8 | 19 | 20 | 16 | 6 | 13 | 10 | 92 | 4.22 | 1.85 | 4 | 8 | 2 | 7 | 2 | 2 | 4 | 29 | 4.41 | 1.99 |
| **2** | 6 | 17 | 28 | 11 | 7 | 17 | 6 | 92 | 4.23 | 1.74 | 4 | 5 | 1 | 5 | 5 | 6 | 3 | 29 | 3.90 | 2.01 |
| **3** | 3 | 16 | 24 | 20 | 14 | 9 | 6 | 92 | 4.16 | 1.54 | 5 | 4 | 4 | 9 | 2 | 2 | 3 | 29 | 4.41 | 1.86 |
| **4** | 3 | 19 | 24 | 25 | 3 | 8 | 10 | 92 | 4.24 | 1.65 | 4 | 4 | 1 | 9 | 2 | 6 | 3 | 29 | 3.93 | 1.94 |
| **5** | 5 | 14 | 14 | 29 | 15 | 9 | 6 | 92 | 4.07 | 1.55 | 4 | 5 | 3 | 7 | 2 | 3 | 5 | 29 | 4.07 | 2.05 |
| **6** | 1 | 17 | 15 | 21 | 14 | 16 | 8 | 92 | 3.80 | 1.62 | 4 | 1 | 5 | 10 | 3 | 2 | 4 | 29 | 4.00 | 1.81 |
| **7** | 9 | 16 | 10 | 25 | 6 | 17 | 9 | 92 | 4.02 | 1.85 | 4 | 5 | 2 | 9 | 3 | 2 | 4 | 29 | 4.17 | 1.93 |
| **8** | 11 | 17 | 11 | 11 | 8 | 13 | 21 | 92 | 3.79 | 2.16 | 4 | 6 | 2 | 10 | 2 | 2 | 3 | 29 | 4.38 | 1.84 |

For the plastics factory, Cronbach's alpha is 0.865 which shows good internal consistency in the overall measurement (Cronbach, 1951). The overall mean of the data is 4.07 in a 7-point Likert scale while the overall standard deviation is 1.75.

For the machinery factory, Cronbach's alpha is 0.963 which also shows good internal consistency in the overall measurement (Cronbach, 1951). The overall mean of the data is 4.16 while the overall standard deviation is 1.91.

**i) Analysis of the Data from the Survey on Employees**

**Table 14: Analysis of Data from Survey on Employees on Perceived Implementation Success**

| | *Plastics factory* | | | | | | *Machinery factory* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | Mean | SD | % of responses on '7' (*strongly agree*), '6' (*agree*) or '5' (*agree somewhat)* | % of responses on '1' (*strongly disagree*), '2' (*disagree*) or '3' (*disagree somewhat*) | Difference between responses on '7', '6' or '5' vs '1', 2' or '3' | Responses on the mid-point '4' (*neutral*) | Mean | SD | % of responses on '7' (*strongly agree*), '6' (*agree*) or '5' (*agree somewhat)* | % of responses on '1' (*strongly disagree*), '2' (*disagree*) or '3' (*disagree somewhat*) | Difference between responses on '7', '6' or '5' vs '1', 2' or '3' | Responses on the mid-point '4' (*neutral*) |
| **1** | 4.22 | 1.85 | 51.1% | 31.5% | 19.6% | 17.4% | 4.41 | 1.99 | 48.3% | 27.6% | 20.7% | 24.1% |
| **2** | 4.23 | 1.74 | 55.4% | 32.6% | 22.8% | 12% | 3.90 | 2.01 | 34.5% | 48.3% | -13.8% | 17.2% |
| **3** | 4.16 | 1.54 | 46.7% | 31.5% | 15.2% | 21.7% | 4.41 | 1.86 | 44.8% | 24.1% | 20.7% | 31.0% |
| **4** | 4.24 | 1.65 | 50% | 22.8% | 27.2% | 27.2% | 3.93 | 1.94 | 31.0% | 37.9% | -6.9% | 31.0% |
| **5** | 4.07 | 1.55 | 35.9% | 32.6% | 3.3% | 31.5% | 4.07 | 2.05 | 41.4% | 34.5% | 6.9% | 24.1% |
| **6** | 3.80 | 1.62 | 35.9% | 41.3% | -5.4% | 22.8% | 4.00 | 1.81 | 34.5% | 31.0% | 3.5% | 34.5% |
| **7** | 4.02 | 1.85 | 38% | 34.8% | 3.2% | 27.2% | 4.17 | 1.93 | 37.9% | 31.0% | 6.9% | 31.0% |
| **8** | 3.79 | 2.16 | 42.4% | 45.7% | -3.3% | 12% | 4.38 | 1.84 | 41.4% | 24.1% | 17.3% | 34.5% |

*a) <u>Overall</u>*

In the plastics factory, the data show that, except for Questions 6 and 8 (mean at 3.80 and 3.79), the mean for all other questions is on the positive side, though just slightly above the mid-point '4', ranging from 4.02 to 4.24. Except Question 6 (-5.4%) and Question 8 (-3.3%), the percentage for the positive side ('7', '6' and '5') is higher (ranging from 27.2 % to 3.5 %) than the negative side ('1', '2' and '3').

For the machinery factory, the mean for all questions, except Questions 2 (mean at 3.90) and 4 (mean at 3.93), is on the positive side, though just slightly above the mid-point '4', ranging from 4.00 to 4.41. For all questions, except Question 2 (-13.8%) and 4 (-6.9%), the percentage for the positive side ('7', '6' and '5') is higher (ranging from 20.7% to 3.4%) than the negative side ('1', '2' and '3').

*b) Analysis of Survey Findings in the Plastics Factory*

The scores are mixed for the eight questions in the employee survey in the plastics factory. For the first four questions, the scores are from 27.2% to 15.2% more on the positive than the negative side. For Questions 5 to 8, the scores on the positive and the negative sides are very close. In Question 6 and Question 8, the scores are respectively 5.4% and 3.3% more on the negative.

In application of Miller's (1997) three dimensions (achievement; acceptability; completion) of implementation success, 'achievement' involves Questions 1 to 4 and Question 8, 'acceptability' is related to Questions 5 and 6, and 'completion' involves Questions 7 and 8. The analysis in the following part of this section will be based on Miller's (1997) three dimensions of implementation success.

Miller (1997: p. 583) refers 'achievement' to 'what has been done performs as intended'. This dimension involves the measures of the effectiveness of the implementation of the change (Question 1) and effectiveness of the implementation effort on the strategy to set up the PM system (Question 2), as well as the positive effects of the PM system on the business results (Question 3) and on the behaviour among employees to meet the organisation's goals and objectives (Question 4). The more scores on the positive side in Questions 1 to 4 reflect that the employees perceived the positive effects of the PM system, and effectiveness and effort of the implementation of the change (including creation of awareness of the need for change, strategies, sequence, procedures/steps and actions) to set up the PM system. The plastics factory adopted a change model (Kotter's 8-step model) for the implementation. Under Questions 1 and 2, there are more scores on the positive, which show adoption of the change model might have facilitated the implementation of the change.

‘Achievement’ also involves the measure of the success of the implementation of the PM system (Question 8). However, the negative side has 3.3% more than the positive for this measure (42.4% on the positive side, 45.7% on the negative, and 12% on the mid-point ‘4’). It is analysed that the relatively lower scores rated by employees in the two questions under ‘acceptability’ and Question 7 under ‘completion’ in the survey in the plastics factory might explain the more negative scores given by employees to Question 8. This will be discussed in the later part of this section.

According to Miller (1997: p. 583), ‘acceptability’ refers to satisfaction with the implementation by those involved in, or affected by, the implementation. ‘Acceptability’ involves Questions 5 and 6 in the survey. For the measure of satisfaction with the change to set up the PM system (Question 5), there is 35.9% on the positive side, 32.6% on the negative, and 31.5% on the mid-point ‘4’ (the highest score on the mid-point ‘4’ among the 8 questions in the survey). From the results of Question 5, there were just around one-third (35.9%) of the respondents who felt satisfied with the change to set up the PM system.

As to the satisfaction about the implementation result (Question 6), there is 35.9% on the positive side, 41.3% on the negative side, and 22.8% on the mid-point ‘4’. The negative side was 5.4% more than the positive, which reflects the fact that many employees (up to 41.3%) were not satisfied. Implementation result can reflect the effort put into the implementation (Bossidy and Charan, 2002; Ford, 2009). Up to 41.3% of employees not being satisfied showed there might have been insufficient effort by the managers during the process in the plastics factory.

From the analysis above, there are relatively lower scores rated by employees in the dimension of 'acceptability'.

Miller (1997) describes the dimension of 'completion' as 'everything intended to be done is completed, within the expected time period' (p. 583). 'Completion' involves Questions 7 and 8 in the survey. In the managers' survey, all managers considered the PM system had largely been implemented, and the major parts of the change to set up the PM system had been conducted and completed. For Question 7 in the employees' survey, however, there is close distribution of scores on the positive and on the negative, and with more than one-fourth (27.2 %) on the mid-point, which show the implementation progress might not be clearly known and understood to all the employees (i.e. some employees knew and understood the implementation progress, while some did not). This may reflect that there might have been insufficient communication during the process.

Alas and Sun (2007) studied change implementation in China and found that there was often insufficient communication during the process. Due to insufficient communication, the feelings and emotions of employees during the implementation process were overlooked by managers. This situation of employees' feelings and emotions being overlooked by managers might also have happened in the plastics factory. Moreover, insufficient communication could result in insufficient change participation from employees (Caldwell, 1993; Simoes and Esposito, 2014).

Those employees who did not clearly know and understand the implementation progress, whose feelings and emotions might have been overlooked, and who possibly had insufficient participation in the change process, might have given low

scores to the dimension of 'acceptability' in Questions 5 and 6 which measure the satisfaction of the employees towards the change and towards the implementation result.

According to studies by Chen et al. (2012), El-Farra and Badawi (2012) and Kuntz and Gomes (2012), employees who are facing change need personal learning and training, and acquisition of the required skills and knowledge in the process. These elements are essential for employees to handle and cope with the change. Relatively lower scores in the dimension of 'acceptability' in Questions 5 and 6 may reflect that there was insufficient training and learning arranged for employees, ultimately affecting their satisfaction with the change (Question 5) and with the implementation result of the PM system (Question 6).

Relatively lower scores for the two questions (Questions 5 and 6) under 'acceptability' and Question 7 under 'completion' might explain the more negative scores given by employees on the measure of the success of the implementation of the PM system (Question 8). As discussed before, the negative side has 3.3% more than the positive for Question 8. The Cronbach's alpha for Questions 5, 6, 7 and 8 is 0.786, which supports the internal consistency in the scores of these 4 questions.

In sum, the analysis above shows there might have been insufficient effort by the managers[28] during the implementation process in the plastics factory. (See '*Summary of Findings of Surveys on Employees*' below for more analysis of the possible areas of insufficient effort by managers during the implementation process.)

[28] 'Managers' refers to the section/team heads. They were the implementers of the change at the operational level, and were the leaders of the change in their respective sections/teams.

*c) Analysis of Survey Findings in the Machinery Factory*

In the machinery factory, the data for Questions 1, 3 and 8 are 48.3%, 44.8% and 41.4% on the positive side, respectively 20.7%, 20.7% and 17.3% higher than the negative. The above show participants are more positive than negative towards effectiveness of the implementation of the change (including creation of awareness of the need for change, strategies, sequence, procedures/steps and actions) to set up the PM system (Question 1), towards the positive impact on the business results by the PM system (Question 3), and towards the success of implementation of the PM system (Question 8).

Similar to the plastics factory, more positive scores on the effectiveness of the implementation of the change (Question 1) show adoption of a change model (Kotter's 8-step Model) by the machinery factory might have facilitated the implementation of the change.

For the measure of the effectiveness of the implementation effort on the strategy to set up the PM system (Question 2), the mean is at 3.9, below the mid-point '4', 34.5% on the positive and 48.3% on the negative (negative at 13.8% more than the positive). For the measure of the positive results of the PM system on employees' behaviour to meet the organisation's goals and objectives (Question 4), the mean is at 3.93, again below the mid-point '4', 31% on the positive and 37.9% on the negative (negative at 6.9% more than the positive). The scores here reflect that participants were more negative regarding these two measures in the dimension of 'achievement'.

As will be reported in the later part of this chapter, there was a significant increase in employee performance (14%) and labour productivity (20%) in the

post-intervention stage in the machinery factory compared with the pre-intervention stage. Such a significant increase is generally the result of lots of drive and vigour from the managers. In the process, the managers might prioritise accomplishing tasks at the expense of human relations, and the feelings and emotions of employees. From the literature, Alas and Sun (2007) found that managers in China often overlooked the intrinsic values and emotions of employees during a process of change. In a study by Lee et al. (2002), there was impatience from managers during a change. These managers wanted quick results and focused on the financial returns without adequate attention to the relations with employees.

Such drive and vigour by the managers to gain a significant increase in employee performance and labour productivity might account for the more positive scores yielded for the positive impact on the business results by the PM system (Question 3). However, managers in the machinery factory might have been more task-oriented than people-oriented in the implementation. This might result in employees' intrinsic values, feelings and emotions being overlooked by the managers in the process. Being not satisfied, employees in the machinery factory gave more negative ratings to the implementation effort on the strategy to set up the PM system by the managers (Question 2).

For the positive results of the PM system on employees' behaviour to meet the organisation's goals and objectives (Question 4), managers needed to put effort into the human side and into relations with employees in order to influence and motivate employees to adopt the necessary behaviours to meet the organisation's goals and objectives. Such behaviour includes not only task performance (completion of job duties), but also contextual performance (supporting the organisational, social and psychological environment in which the job tasks are

carried out) (Landy and Conte, 2004: p. 170). The managers' more task-oriented focus might have lessened their influence and their ability to motivate employees to adopt such behaviour in the machinery factory. This might account for the ratings of Question 4 in which the negative side is 6.9% more than the positive.

To sum up for the dimension of 'achievement', there are mixed scores. The findings also show the managers might be more task-oriented than people-oriented in the implementation of the PM system.

As to the dimensions of 'acceptability' (Questions 5 and 6) and 'completion' (Questions 7 and 8), except Question 8 (the positive 17.3% higher than the negative), the scores on the positive and on the negative are quite close, with the positive higher than the negative at 3.5% for Question 6, and at 6.9% for both Questions 5 and 7.

Under 'acceptability' (Questions 5 and 6), similar to the analysis in the plastics factory, the close scores on the positive and negative sides show there were still around one-third of employees who were not satisfied with the change (34.5%) and the implementation result (31%). Also, there were around one-fourth (24.1%) and one-third (34.5%) of employees who were respectively neutral in their responses to Question 5 and 6. The implementation result can reflect the effort put into the implementation (Bossidy and Charan, 2002; Ford, 2009). This, as in the plastics factory, showed there might have been insufficient effort by the managers during the implementation process in the machinery factory.

For 'completion', under Question 7, similar to the analysis in the plastics factory,

there is close distribution of scores on the positive and on the negative side, and with around one-third (31%) on the mid-point, which show the implementation progress might not have been clearly known and understood by all the employees. There could have been insufficient communication during the process. Insufficient communication might lead to the feelings and emotions of employees being overlooked by managers (Alas and Sun, 2007), and insufficient participation in the change from employees (Caldwell, 1993; Simoes and Esposito, 2014).

Similar to the plastics factory, those employees who did not clearly know and understand the implementation progress, whose feelings and emotions might have been overlooked, and who might have had insufficient participation in the change process, might give low scores to the dimension of 'acceptability' in Questions 5 and 6. Moreover, more negative scores for Questions 2 and 4 might also contribute to the relatively lower scores for Questions 5 and 6. The Pearson coefficient of Questions 2 and 4 with Questions 5 and 6 is 0.72, and Cronbach's alpha for Questions 2, 4, 5 and 6 is 0.932, which shows high correlation and good internal consistency among these 4 questions.

As for the plastics factory, close scores on the positive side and the negative for the dimension of 'acceptability' in Questions 5 and 6 in the machinery factory may reflect that there was insufficient personal learning and training, and acquisition of the required skills and knowledge (Chen et al., 2012; El-Farra and Badawi, 2012; Kuntz and Gomes, 2012) in the process among employees, ultimately affecting their satisfaction with the change and with the result of the implementation of the PM system.

For the measure of the success of the implementation of the PM system (Question 8), the overall mean is 4.38, above the mid-point '4', and the positive (41.4%) is 17.3% higher than the negative (24.1%). It appears for this measure of the success of the implementation of the PM system, the scores of the machinery factory are better than the scores of the plastics factory (overall mean 3.79; scores on the negative with 3.3% more than the positive). The better scores in the machinery factory might be attributed to the significant increase in employee performance (14%) and labour productivity (20%) in the post-intervention stage in the machinery factory.

In sum, similar to the plastics factory, it appears there might have been insufficient effort by the managers[29] in the implementation process in the machinery factory. (See '*Summary of Findings of Surveys on Employees*' below for more analysis of the possible areas of insufficient effort by managers in the implementation process.)

**ii) Summary of Findings of Surveys on Employees**

It appears the overall scores in the surveys on employees in both factories are not high. Moreover, from the findings, it appears there might have been insufficient effort by the managers during the process of implementing the PM system in both factories. There will be analysis of four points that further support the possible existence of insufficient effort by the managers.

a) *Positive results yielded in measure of commitment to the change among employees in both factories under Hypothesis 1*

[29] 'Managers' refers to the section/team heads. They were the implementers of the change at the operational level, and were the leaders of the change in their respective sections/teams.

The overall mean for commitment to change is 4.46 for the plastics factory, and 5.27 for the machinery factory on a 7-point Likert scale. For the scores in most of the questions in the surveys in both factories, the percentage on the positive side ('7', '6' and '5' on the scale) is higher (up to 44.9% in the plastics factory, and 74% in the machinery factory) than the negative side ('1', '2' and '3'). This positive result for commitment to the change showed employees were favourable to the implementation of change to set up a PM system.

However, scores from employees in the surveys on perceived implementation success in Hypothesis 2 in both factories yielded lower scores. The overall mean is 4.07 for the plastics factory and 4.16 for the machinery factory on a 7-point Likert scale. There are 4 questions (Q.6 and 8 in the plastics factory; Q.2 and 4 in the machinery factory) in which the percentage for the positive side is lower than the negative side.

When *t* tests of two sample means are performed, it is found that, in the plastics factory, the *t* test *p*-value is 0.000005 for the test of commitment to the change among employees in Hypothesis 1 as with the test of perceived implementation success among employees in Hypothesis 2. For the machinery factory, the *t* test *p*-value is 0.0000000004 for the two tests. Both *t* test *p*-values are much lower than the 0.05 alpha level of significance, which indicate there is strongly significant difference statistically between the results of the two tests in both factories.

b) *High mean yielded in measure of managers' perceptions of implementation success in both factories under Hypothesis 2*

The overall high mean yielded in the managers' questionnaire in both factories indicates that the managers considered the PM system had been largely

implemented. They believed the major parts of the change to set up the PM system had been conducted and completed. These managers, as described before, were the main implementers of the change to set up the PM system in the two factories.

c) *No drop in earnings of employees and no change in overall working environment and conditions in the period*

According to the factory management (information collected in the post-intervention meetings), there was no reduction in employees' pay levels in both factories during the process of implementing the PM system. As will be reported later in this chapter, there was a slight drop in labour productivity of employees in the post-intervention stage, from 86% to 82% in the plastics factory (but the wastage rate improved from 6.9% to 3.2%). For the machinery factory, there was an increase from 60% to 80%. There was no real drop in the overall earnings of employees in the period. Also, there was no change to the overall work deployment of employees, their work nature, and their overall working environment and conditions, and no change to the production machines and resources in the two factories in the research period.

d) *Apparent support and commitment from the management in the implementation process in both factories*

The change was initiated by the management in both factories. The implementation was championed by a senior officer with the support of the General Manager (GM). In both factories, this senior officer had the required resources, authority and knowledge to implement the change. This senior officer led a project team in which the strategies for the change were developed with input and suggestions from the GM in both factories.

In the plastics factory, the GM officiated a launching ceremony (attended by all staff) to start the implementation of the PM system. The GM of the plastics factory also conducted briefings to team/section heads (implementers of change at the operational level) to share his personal tips and insights in conducting performance management. In the machinery factory, the GM and the senior management held briefings to the team/section heads (implementers of change at the operational level) on ways to conduct the change and to communicate the change to employees.

In sum, despite the positive result for the measure of commitment to the change among employees, and a high mean in the measure of managers' perceived implementation success, the measure of employees' perceived implementation success, however, yielded lower scores in both factories. Moreover, there was no real drop in the overall earnings of employees, no change to their overall work deployment, their work nature, and their overall working environment and conditions, and no change to the production machines and resources in the period. Also, there was apparent support and commitment from the management in the implementation process in both factories. From the above, it is highly possible that there was insufficient effort by the managers during the implementation process, which made employees in both factories give lower scores to the perceived implementation success. Insufficient effort from managers, according to Bossidy and Charan (2002) and Ford (2009), always hinders implementation success.

**iii) Possible Areas of Insufficient Effort by Managers during Implementation from Findings of Surveys on Employees**

From the analysis of the survey findings in the two factories above, the areas of insufficient effort by the managers during the implementation process could include

communication, change participation, feelings and emotions of employees, and training and learning. A lot of people management was involved in these areas. The literature shows there was insufficient effort by managers in these areas in other studies of change in China. Here are these studies:

a) *Communication*

In a study on organisational change in China and Estonia, Alas et al. (2012) found that communication and education were used to overcome resistance. However, only 39 per cent of respondents from China indicated that they used communication in the change process, as compared with 85 per cent of respondents from Estonia. According to Alas et al. (2012), in China communication might not refer to involving employees or collecting opinions from them, but simply to informing employees about the change implementation.

In a case study in China by Woo (2007), insufficient communication about the progress of the change led to complaints from employees. Insufficient communication made many employees not understand the purposes and benefits of the change. As a result, many employees tended to focus on how the change affected them, and became reluctant to support the change.

b) *Change Participation*

Alas and Sun (2007) studied the implementation of changes in 160 Chinese companies from various industries in northern China, and found that bureaucratic regulations with strict orders still prevail in the process of implementing organisational change in China. According to Alas and Sun (2007), most changes were initiated by top managers, then passed down to employees. This ‘top-to-down hierarchical managing system’ (p. 233) was adopted throughout the change process

in which there was little participation or involvement of employees, and little attention was paid to the emotions of employees.

c) *Employee Feelings and Emotions*

A study by Xie et al. (2013) showed middle managers in China appeared to be not equipped to perform well in some soft areas in the management of employees such as labour relations, and training and development for employees. Alas and Sun (2007), studying the implementation of changes in northern China, found that managers in China were short of the skills required to involve employees in the process of change, and the intrinsic values and emotions of employees could be overlooked in the process.

d) *Training and Learning*

In a case study by Woo's (2007), employees received insufficient training at the beginning of a change programme in a Chinese company. At a later stage, this company had to provide more training to make the implementation smooth. Tang et al. (2014) studied the implementation of change in Chinese schools and found that teachers lacked the knowledge and skills in the areas of change. They suggested that training was required to prepare teachers better for the change.

In sum, the survey findings on employees' perceptions of implementation success in the two factories and support from other studies of change in China cited from the literature suggest that there might have been insufficient effort by managers in four areas, namely communication, change participation, feelings and emotions of employees, and training and learning during the change implementation in the two factories. Throughout review of the literature, it is found that the above are four essential areas which need to be addressed to and taken care of during implementation of transitional organisational change (Alas et al., 2012; Chen et al., 2012; Cheng et al.,

2007; Karuhanga and Werner, 2013; Sikdar and Payyazhi, 2014; Sim and Rogers, 2008; Sun and Alas, 2007; Tang et al., 2014; Xie et al., 2013).

### 4.3.3. Summary of Perceived Implementation Success among Managers and among Employees

As discussed in Chapter Three, because the measure of managers used a 5-point Likert scale, and the measure of employees used a 7-point Likert scale, the approach of Dawes (2007) is adopted to rescale the 5- and 7-point scales to a comparable 10-point format for comparison of the resultant data. The rescaled responses for managers and employees are shown below in Table 15. The formula for the rescaling is: (response) / (no. of response categories) x 10 (Dawes, 2007, p. 69).

**Table 15: Rescaled Responses from Measures of Managers and Employees**

| *Measure of managers* | |
|---|---|
| Original response (in 5-point scale) | Rescaled response (in 10-point scale) |
| 1 | *2* |
| 2 | *4* |
| 3 | *6* |
| 4 | *8* |
| 5 | *10* |

| *Measure of employees* | |
|---|---|
| Original response (in 7-point scale) | Rescaled response (in 10-point scale) |
| 1 | *1.43* |
| 2 | *2.86* |
| 3 | *4.29* |
| 4 | *5.71* |
| 5 | *7.14* |
| 6 | *8.57* |
| 7 | *10.00* |

Table 16 summarises the data yielded from the surveys on managers' and employees' perceptions of the success of the implementation.

**Table 16: Summary of Overall Mean and Overall SD in Measures of Perceived Implementation Success**

| | Measure of managers | | | | Measure of employees | | | |
|---|---|---|---|---|---|---|---|---|
| | Overall mean | | Overall SD | | Overall mean | | Overall SD | |
| | *In original response (5-point scale)* | In rescaled response *(10-point scale)* | *In original response (5-point scale)* | In rescaled response *(10-point scale)* | *In original response (7-point scale)* | In rescaled response *(10-point scale)* | *In original response (7-point scale)* | In rescaled response *(10-point scale)* |
| Plastics factory | *4.38* | 8.76 | *0.49* | 0.98 | *4.07* | 5.81 | *1.75* | 2.51 |
| Machinery factory | *4.38* | 8.75 | *0.5* | 0.99 | *4.16* | 5.94 | *1.91* | 2.73 |

The above rescaled data show that the measures of mangers yield an overall high mean, near the top of the rating scale, for both the plastics and machinery factories. For the measures of employees, the overall mean is a little above the mid-point of the rating scale for both factories. It appears the overall mean of employees is significantly lower than that of the managers.

ANOVA (one-way) was conducted for the eight questions in the measure of employees. The data are shown in Table 17a.

**Table 17a: ANOVA for Questions under Measure of Employees**

| | Variance | | | | | | | | *P*-value |
|---|---|---|---|---|---|---|---|---|---|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.5 | Q.6 | Q.7 | Q.8 | |
| Plastics factory | 6.99 | 6.15 | 4.86 | 5.53 | 4.93 | 5.35 | 6.95 | 9.49 | 0.432 |
| Machinery factory | 8.09 | 8.21 | 7.07 | 7.72 | 8.59 | 6.71 | 7.59 | 6.91 | 0.919 |

*Note: Significance at 5% level*

For the six questions in the measure of managers, in view of the skewed distributions in the responses (all responses being in the top two ratings) and the small sample sizes, the Kruskal-Wallis Test (Kruskal and Wallis, 1952) is adopted to compare the difference among the means for the six questions. The data are shown in Table 17b.

**Table 17b: Kruskal-Wallis Test for Questions under Measure of Managers**

| | Variance | | | | | | *P*-value |
|---|---|---|---|---|---|---|---|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.5 | Q.6 | |
| Plastics factory | 0.57 | 0.57 | 0.95 | 0.57 | 0.95 | 0.57 | 0.01 |
| Machinery factory | 1.00 | 1.33 | 1.00 | 1.00 | 1.00 | 1.00 | 0.612 |

*Note: Significance at 5% level*

There was also comparison of the difference among the means for all questions under the measure of managers together with all questions under the measure of employees. In view of the different sample sizes and variances among the measures of managers and the measures of employees, the Welch Test (Welch, 1951) is adopted to compare the means. The data are shown in Table 17c.

**Table 17c: Welch Test for Questions under Measure of Managers Together with Questions under Measure of Employees (i.e. a Total of 14 Qs)**

| | *P*-value |
|---|---|
| Plastics factory | $2.2 \times 10^{-21}$ |
| Machinery factory | 0.0000048 |

*Note: Significance at 5% level*

From Table 17a, the *p*-values show there is no statistically significant difference among the 8 questions in the measure of employees for both factories. From Table 17b, the *p*-values in the Kruskal-Wallis Test show there is no statistically significant difference among the 6 questions in the measure of managers for the machinery factory, while there is significant difference statistically (*p*-value at 0.01) for the plastics factory. When all 14 questions from the measures of managers and of employees are analysed

together, the *p*-values in Table 17c show there is a strongly statistically significant difference among the 14 questions for both factories.

For the machinery factory, as Table 17a and 17b show, there is no statistically significant difference among the 6 questions in the measure of managers, and among the 8 questions in the measure of employees. However, there is a strongly statistically significant difference under the Welch Test for all 14 questions, which indicates there is a statistically significant difference between the measure of managers and the measure of employees in the machinery factory.

For the plastics factory, there is no statistically significant difference among the 8 questions in the measure of employees. The *p*-value in the Kruskal-Wallis Test for the 6 questions in the measure of manager is 0.01. The *p*-value under the Welch Test for all 14 questions is, however, at $2.2 \times 10^{-21}$, much lower than 0.01. This much lower *p*-value indicates clearly that there is a statistically significant difference between the measure of managers and the measure of employees.

A *t* test of the two sample means was also conducted for the measure of managers and the measure of employees in both factories. The *t* test *p*-value is $8.7 \times 10^{-14}$ for the plastics factory, and for the machinery factory it is 0.0000011. Both *t* test *p*-values indicate there is a statistically significant difference between the data yielded in the measure of managers and the measure of employees in both factories.

Applying Miller's (1997) three dimensions of measuring implementation success, as discussed before, the measure of managers includes two dimensions ('achievement' and 'completion') while the measure of employees includes all three dimensions

('achievement', 'completion' and 'acceptability'). If just data from the dimensions of 'achievement' and 'completion' are compared between the measures of managers and employees, the results are shown in Table 18a and 18b.

**Table 18a: ANOVA for Questions on 'Achievement' and 'Completion' (Q. 1-4 and 7-8) under Measure of Employees**

| | Variance | | | | | | *P*-value |
|---|---|---|---|---|---|---|---|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.7 | Q.8 | |
| Plastics factory | 6.99 | 6.15 | 4.86 | 5.53 | 6.95 | 9.49 | 0.506 |
| Machinery factory | 8.09 | 8.21 | 7.07 | 7.72 | 7.59 | 6.91 | 0.813 |

*Note: Significance at 5% level*

**Table 18b: Welch Test for All Questions under Measure of Managers Together with Questions 1-4 and 7-8 under Measure of Employees (i.e. a Total of 12 Qs)**

| | *P*-value |
|---|---|
| Plastics factory | $3.5 \times 10^{-17}$ |
| Machinery factory | 0.000044 |

*Note: Significance at 5% level*

From Table 18a, the p-values under ANOVA show there is no statistically significant difference among the 6 questions (Q. 1-4 and 7-8) under the measure of employees for both factories. The p-values in the Welch Test in Table 18b show there is a statistically significant difference among the 12 questions for both factories. From data in Table 17b (showing no statistically significant difference among the 6 questions in the measure of managers in the machinery factory), and Tables 18a and 18b, it is noted that there is a statistically significant difference in the machinery factory between the measures of managers and of employees.

As shown in Table 17b above, the *p*-value in the Kruskal-Wallis Test for the 6 questions under the measure of managers is 0.01 in the plastics factory. The *p*-value under the Welch Test for all 12 questions is $3.5 \times 10^{-17}$, much lower than 0.01. This much lower *p*-value indicates clearly that there is a statistically significant difference between the measure of managers and the measure of employees in the plastics factory.

The *t* test *p*-value is $1.6 \times 10^{-12}$ for the plastics factory, and 0.0000023 for the machinery factory. Both *t* test *p*-values indicate there is a statistically significant difference between the data yielded in the measure of managers and the measure of employees. From analysis so far, if just data from the dimensions of 'achievement' and 'completion' are compared between the measure of managers and the measure of employees, the findings show there is a statistically significant difference.

From the findings yielded from Tables 17a, 17b, 17c, 18a and 18b, and the *t* test *p*-values as reported above, Hypothesis 2, 'The perceived implementation success of the PM system among managers is positively related to that among employees' is *not* supported by the findings.

### 4.3.4. Summing up for Hypothesis 2

*a) Overall*

The findings for Hypothesis 2 show there is significant difference in the perception of the managers and the employees towards the implementation success of the PM system. As employees are the majority of those affected by the change, their views should have weight and management should be more alert and critical of the reasons behind the difference in the perception of the managers and the employees. As discussed before, a possible reason for this difference is insufficient effort by the

managers during the implementation.

The findings from H2 support the studies of Sa´nchez-Vidala et al. (2012) and Zhu et al. (2013). The study of Sa´nchez-Vidala et al. (2012), conducted in Spain, found ratings of manager's perception were higher than employees in implementation of work-life balance initiatives in Spain. The study of Zhu et al. (2013) was in China. They found managers' perceptions were higher than employees in implementation of performance assessment practices. Sa´nchez-Vidala et al. (2012) and Zhu et al. (2013) suggested that the possible reasons of difference in the managers' and employees' perceptions might include insufficient communication, low transparency of HRM practices, and insufficient organisational support during implementation.

While the two factories adopted Kotter's 8-step model to implement the PM system, findings under Hypothesis 2 support the assertion of Chen et al. (2012) and Appelbaum et al. (2012) that adoption of a change model is not guaranteed to lead to success of change. The findings are also in line with the comments of Alas et al. (2012) that managers in China could create awareness of the aims of a change, but might not put sufficient effort into the implementation.

*b) Findings on Adoption of Kotter's 8-Step Model*

As discussed in Chapter Three, qualitative input was collected in the pre-research meetings and post-intervention meetings with the senior officer who championed the change in each factory (this senior officer was the only representative from both factories who attended the pre-research and post-intervention meetings). This qualitative input included adoption of Kotter's 8-step model and deviation, if any,

from suggestions in the model in the implementation of the PM system.

From the findings under Hypothesis 2 and the qualitative input, there is a summary below on the adoption of Kotter's 8-step model in implementing the PM system in the two factories.

***Step 1 of Kotter's Model (Establish a sense of urgency)***

Kotter's Suggestions:

The sense of urgency can come from internal or external pressures or problems the organisation is facing. Kotter (1996) asserts that organisational leaders should clearly communicate these pressures or problems to employees so that the urgency is clearly perceived and established among them.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

This was at the beginning of the intervention to set up a PM system in the two factories. For the plastics factory, it was in mid-March 2012, and it was in mid-May 2012 for the machinery factory.

*Details of adoption*

Informed by the factory management in the pre-research meetings and later ascertained in the post-intervention meetings, it was found that both factories clearly identified the urgency of the need to set up a PM system to improve labour productivity and employee performance. The plastics factory faced a high production wastage rate and insufficient orders, while the machinery factory faced a low productivity rate, and low ratings in performance evaluation among staff.

The two factories communicated clearly the urgency of the need to set up a PM system during *Step 4 of Kotter's Model (Communicate the change vision).*

*Challenges in the process*

There were difficulties faced by the two factories. Under a high production wastage rate and insufficient orders (plastics factory), and a low productivity rate and low ratings in performance evaluation among staff (machinery factory), there was no challenge for the factory management in identifying the urgency of the need to set up a PM system.

Deviation from Kotter's Suggestions:

The above discussion shows there was no deviation from Kotter's suggestions.

***Step 2 of Kotter's Model (Create a guiding coalition)***

Kotter's Suggestions:

Kotter (1996) stresses the importance of a team approach through a guiding coalition which should consist of senior staff of an organisation who have the required power, knowledge, skills, expertise, credibility, leadership and management qualities to formulate, develop and implement the change.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

This was at the beginning of the intervention to set up a PM system in the two factories. For the plastics factory, it was in mid-March 2012, and it was in mid-May 2012 for the machinery factory.

*Details of adoption*

The pre-research meetings and the post-intervention meetings with the senior officer who championed the change in the factories revealed that there was a

project team to oversee implementation of the PM system in both factories. The project team was headed by a senior officer (this senior officer was the one who championed the change in the factories) with support from the GM. Members of the project team were managers (section/team heads) in both factories.

*Challenges in the process*

Informed by the management of both factories in the post-intervention meetings, with support from the GM, there was no challenge in forming this guiding coalition.

Deviation from Kotter's Suggestions:

The above discussion shows there was no deviation from Kotter's suggestions.

***Step 3 of Kotter's Model (Develop a vision and strategy)***

Kotter's Suggestions:

Kotter (1996) advocates provision of a vision and a strategy that give the change effort direction, motivate people and set stretch goals achievable through great effort.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

The vision and strategy for the change were developed around the first/second week after the start of the intervention to set up a PM system in the two factories. For the plastics factory, it was around mid to end of March 2012. For the machinery factory, it was around mid to end of May 2012.

*Details of adoption*

From the post-intervention meetings, it was learnt that the vision and strategy

for the change in both factories were developed by the project team with input and suggestions from the GM.

For the plastics factory, here are the vision and the main strategy for the change:

*Vision*:

*To achieve excellence, collaboration and responsiveness through the PM system. Everyone wins through the change.*

*Main Strategy*:

*Use every means available to achieve the change.*

For the machinery factory, here are the vision and the main strategy for the change:

*Vision*:

*To make the factory strong and an expert in machinery manufacturing through the PM system.*

*Main Strategy*:

*Managers to lead, to drive and to influence to achieve the change.*

*Challenges in the process*

Managers of both factories in the post-intervention meetings stated that, with support, input and suggestions from the GM, there was no challenge in developing the vision and strategy for the change.

Deviation from Kotter's Suggestions:

The above discussion shows there was no deviation from Kotter's suggestions.

***Step 4 of Kotter's Model (Communicate the change vision)***

Kotter's Suggestions:

Kotter (1996) suggests using every vehicle possible to get the message out:

big or small meetings, memos, company newsletters, and formal and informal interactions.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

The change vision was communicated to all around the second to third week after the start of the intervention to set up a PM system in the two factories. For the plastics factory, it was around end of March to early April of 2012. For the machinery factory, it was around end of May to early June of 2012.

*Details of adoption*

From the post-intervention meetings, it was learnt that the following were conducted:

*Plastics factory*

i) There was a launching ceremony (attended by all staff) officiated by the GM.

ii) There were briefings and talks by section/team heads (managers) and supervisors to subordinates/employees on the matter.

iii) There were written slogans, posters, notices and quotations posted all around the factory.

*Machinery factory*

i) There were briefings by the GM and the senior management to section/team heads (managers) on ways to communicate the matter.

ii) There were briefings and talks by section/team heads (managers) and supervisors to subordinates/employees on the matter.

iii) The GM invited input from all section/team heads (managers) on the design and contents of the new performance appraisal forms.

*Challenges in the process*

The management of both factories in the post-intervention meetings reported that, with support from the GM as well from employees, there was no challenge in the communication of the change vision to all. Employees were receptive to the communication. This receptiveness appears to be in line with the findings under Hypothesis 1 that the measure of 'employees' commitment to change' is positive in the two factories at the beginning of the intervention to set up the PM system.

Deviation from Kotter's Suggestions:

The above discussion shows there was no deviation from Kotter's suggestions.

***Step 5 of Kotter's Model (Empower broad-based action)***

Kotter's Suggestions:

Kotter (1996) advocates getting rid of obstacles, changing those systems or structures that hinder the move towards the desired vision, and emphatically encouraging risk taking and non-traditional ideas, activities and actions. Education and training play a valuable role in empowerment of employees.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

Step 5 lasted for a long period in the implementation stage of the PM system. For the plastics factory, it was around early April to mid-June of 2012. For the machinery factory, it was around early June to early August of 2012.

*Details of adoption*

From the post-intervention meetings, it was learnt that:

A) *In both factories*

- There were briefings and training on knowledge and skills for conducting performance management provided for managers (section/team heads) and frontline supervisors (unit heads/line heads/workstation heads). This was also intended to enable them to gain confidence, and become more active and involved.
- Managers (section/team heads) conducted talks/briefings and learning/sharing sessions for frontline supervisors and frontline workers on the details of implementing the PM system.
- Procedures/steps, practices and the required documents for conducting performance management were set up. Information on such procedures/steps, practices and documents was communicated to all staff.

B) *Plastics Factory*

The GM conducted briefings to managers (section/team heads) to share the personal tips and insights of the GM in conducting performance management.

C) *Machinery Factory*

The GM and the senior management conducted briefings to the managers (section/team heads) on ways to conduct the change.

*[Information from the factory management here is consistent with findings from Questionnaire 2 (Measure of Perceived Implementation Success of Managers) in which the managers of the two factories taking the survey indicated that the components, steps and practices as required in the PM system had largely been conducted and implemented.]*

*Challenges in the process*

In the post-intervention meetings, management of both factories pointed out that it was difficult to sustain the momentum of the change among employees in the long period (up to two and a half months) of Step 5.

In both factories, the managers (section/team heads) and frontline supervisors (unit heads/line heads/workstation heads) referred to the change vision from time to time in daily work and work briefings with subordinates to maintain the momentum of change.

Moreover, to sustain the momentum of the change, the managers (section/team heads) in both factories recapped the benefits of the change and highlighted the change vision when conducting the talks/briefings and learning/sharing sessions for frontline supervisors and frontline workers on the details of implementing the PM system.

In the plastics factory, during briefings, gatherings and events/functions, the managers and frontline supervisors always referred to the videos recorded during the launching ceremony of the PM system, as well as the written slogans, posters, notices and quotations on the PM system. These helped to maintain the momentum of change.

In brief, according to a comment by the management of the plastics factory in the post-intervention meeting, something conducted in the earlier stages of Kotter's 8-step model such as the change vision and ways to communicate the change vision (launching ceremony, written slogans, posters etc.) could be utilised to address the issue of sustaining the momentum of change.

With input of effort, management of both factories revealed that the momentum of change was found to be generally present among employees during Step 5 of Kotter's Model. Management of both factories found employees were receptive and supportive to the change to set up the procedures/steps, practices and documents for conducting the PM system.

Deviation from Kotter's Suggestions:

It appears some suggestions from Kotter were adopted, such as providing training, the GM conducting briefings to section/team heads, and setting up procedures/steps, practices and the required documents for conducting performance management. Also, there was effort to sustain the momentum of change.

However, findings from the *Measure of Perceived Implementation Success of Employees* showed:

- There might have been insufficient communication and insufficient participation by employees, and the feelings and emotions of employees in the implementation process might have been overlooked by the managers (section/team heads) in both factories.
- There might have been insufficient personal learning and training, and acquisition of required skills and knowledge among employees in both factories.

The above showed there might have been insufficient effort during Step 5 (*Empower broad-based action*) taken by the managers (section/team heads) during the implementation.

In the post-intervention meetings, management of both factories did not

mention that there was insufficient effort by the managers (section/team heads) during the implementation process. It appeared the management of both factories might not have been aware of the possible insufficient effort by the managers. The lack of awareness of the factory management could be attributed to the fact that they mainly relied on information and reporting from the managers to know about and to monitor the implementation process.

From the findings of Questionnaire 2 *(Measure of Perceived Implementation Success of Managers)*, the managers (section/team heads) of the two factories considered that the components, steps and practices as required in the PM system had largely been conducted and implemented. Thinking they had largely implemented the PM system, the managers naturally did not cover the issue of insufficient effort in their reporting to the factory management. As a result, the factory management might not have been aware of the possible insufficient effort by the managers.

When told there might have been insufficient effort by managers during the pilot implementation as reflected in the findings in the *Measure of Perceived Implementation Success of Employees* in Hypothesis 2, management of the two factories mentioned that they would note this and would take rectifying actions as appropriate when proceeding to Step 8 of Kotter's model to expand the practice of the PM system factory-wide to all staff.

***Step 6 of Kotter's Model (Generate short-term wins)***

Kotter's Suggestions:

According to Kotter (1996), there should be planning for visible improvements and early evidence that sacrifices are worth it. Also, it is necessary to recognise

and reward people who make wins possible.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

Step 6 was at the end of the implementation stage to set up a PM system in the factory. For the plastics factory, it was around the end of July 2012. For the machinery factory, it was around the end of September 2012.

*Details of adoption*

From the post-intervention meetings, it was learnt that:

- There were short-term benefits generated, e.g. improvement in evaluation of employee performance by direct supervisors, and in the labour productivity/ production wastage rate.
- Both factories communicated the initial results to employees, and praised those who put in efforts to contribute to these initial results.

*Challenges in the process*

Given there were short-term benefits generated, there was no challenge for the factory management in adopting Step 6 of Kotter's model.

Deviation from Kotter's Suggestions:

The above discussion shows there was no deviation from Kotter's suggestions.

***Step 7 (Consolidate gains and produce more change) and Step 8 (Anchor new approaches in the corporate culture) of Kotter's Model***

Kotter's Suggestions:

*Step 7*

Kotter (1996) suggests using increased credibility to change all systems, structures, and policies that do not fit together and do not fit the transformation vision.

*Step 8*

Kotter (1996) advocates firmly anchoring changes into the corporate culture by making sure that employees see how approaches to satisfying customers, improving productivity and so on are linked to improved results.

Adoption of Kotter's Suggestions:

*Time frame in adoption*

Steps 7 and 8 were conducted by the factory management after this research study.

*Details of adoption*

*[Management of the two factories in this research study could utilise the initial results of the pilot implementation of the PM system in their factories to consolidate, reinforce and produce more change (Step 7 in Kotter's model), and anchor the new approaches factory-wide in the new corporate culture (Step 8 in Kotter's model).]*

In the post-intervention meetings, management of the two factories initially pointed out that they would:

i) expand the practice of the PM system factory-wide to all staff;

ii) continue to communicate and promote the needs and benefits of the PM system to all staff; and

iii) continue to conduct briefings and training to enable understanding and buy-in of the relevance, benefits and importance of the PM system among employees, and to help to anchor the change into the organisational culture.

*[In view of the possible insufficient effort by managers during the pilot implementation as reflected from findings in Hypothesis 2, as discussed in*

*Step 5 above, management of the two factories mentioned they would note this and take rectifying actions as appropriate when proceeding to expand the practice of the PM system factory-wide to all staff.]*

*Challenges in the process*

*(Steps 7 and 8 were conducted by the factory management after this research study. There was no information on the challenges in the process from the factory management in the post-intervention meetings.)*

Deviation from Kotter's Suggestions:

The above discussion shows there was no deviation from Kotter's suggestions.

From the above *Findings on Adoption of Kotter's 8-Step Model*, it appears that suggestions in Kotter's model were largely adopted by the management of the two factories. However, as analysed before, there might have been insufficient effort by the managers (section/team heads) in both factories during the implementation.

*c) Findings Related to Organisational Change Process in Two Factories*

As discussed in Chapter two, it is widely believed that organisational change process involves three stages (Bridges, 2003; Lewin, 1951; Schein, 2004; Sidorko, 2008; Sun and Alas, 2007). Sidorko (2008), in a three-main-stage analysis, puts Steps 1 to 4 of Kotter's model together as 'preparing for change', Steps 5-7 as 'change in action', and Step 8 as 'grounding the change' (p. 308). The discussion in this section is based on the three stages suggested by Sidorko (2008).

From the discussion in Section 4.3.4.b) above, positive results were yielded in the first stage of the change process in the two factories. Adopting Steps 1-4 of Kotter's model, the two factories established a sense of urgency, formed a guiding coalition

(a project team headed by a senior officer with support from the GM), developed the change vision and strategy, and communicated the change vision to all. Employees were receptive in the communication. This receptiveness appears to be in line with the findings under Hypothesis 1 that the measure of "employees' commitment to change" is positive in the two factories at the beginning of the intervention to set up the PM system. It appeared awareness of the need for change had been created in the two factories in the first stage of the change process. This also reflected Steps 1–4 of Kotter's model were applicable to the successful management of the initial stage of the change process in the two factories.

In the second stage, in accordance with Step 6 (*Generating short-term wins and building momentum*) in Kotter's model, there were short-term benefits generated. Both factories communicated the initial results to employees and praised those who put in efforts to contribute to these initial results to sustain the change momentum. However, as discussed in Section 4.3.2. above, it appeared there might have been insufficient effort on Step 5 (*Empower broad-based action*) taken by the managers (section/team heads) during the implementation.

Problems and barriers to change often occur in the second stage of the change process (Sidorko, 2008; Sun and Alas, 2007). Sidorko (2008) has commented that managers are one of the barriers to empowerment of employees. The analysis of Alas et al. (2012) shows that the 'top-down hierarchical management system' (p. 96) in the operation of daily business may be adopted by managers in China to administer a change which is initiated by the top management. As a result, the empowerment of employees may be overlooked by these managers and there is insufficient effort by them to empower employees.

It is essential that the managers who lead and implement the change are prepared, both in the commitment and the skills, for the change. As Bossidy and Charan (2002) and Ford (2009) put it, insufficient input from managers always hinders change implementation.

After launch of the pilot, the two factories expanded the practice of the PM system factory-wide to all staff. In the meantime, the two factories continued to conduct briefings and training to enable understanding and buy-in of the PM system among employees, and to help to anchor the change in the organisational culture. These were under Step 7 *(Consolidate gains and produce more change)* and Step 8 *(Anchor new approaches in the corporate culture)* in Kotter's model.

Step 7 is the last step of the second stage (change in action), and Step 8 is for the third stage (grounding the change) in the change process. Step 7 serves to avoid regression of the change to the previous state. The celebration under Step 6 (*Generating short-term wins and building momentum*) may make people believe the change is done and the success achieved. This in turn may allow the previous complacency back (Kotter, 1996: p. 132). Further change is needed to avoid this. Also, further change achieved under Step 7 adds credibility to the change programme, which will facilitate to anchor the new approaches in the corporate culture under Step 8.

For Step 8, the anchoring will only happen when the previous steps, in particular Step 7, have been successful and people are convinced of the benefits and merits of the new approaches (Kotter, 1996).

From the discussion above, it was essential that the two factories implemented Steps 7 and 8 so as to anchor the change in the corporate culture.[30]

To conclude, the findings of Sun and Alas (2007) showed organisations in China tended to neglect the stage of anchoring the change in the organisational change process. Their main focus was on the unfreezing/change preparation stage. Findings of this research study, however, show the two factories placed the focus on both the unfreezing/change preparation stage and the anchoring stage. Findings from this research study also show it is essential that managers put in sufficient effort, in particular during the second stage (change in action) of the organisational change process. Kotter's model can help to facilitate the change process, but is not guaranteed to lead to success of change.

*d) Summary of the Overall Practice of Pilot PM System in Two factories*

From the findings under Hypothesis 2 and the qualitative input collected in the post-intervention meetings with the senior officers who championed the change in the two factories, the overall practice of the pilot PM system in the two factories is summarised below.

1) PM Purposes

The PM system was for both administrative as well as developmental purposes in both factories.

2) PM Process

In both factories, the PM was in the following cycle:

[30] The factory management conducted Steps 7 and 8 after this research study. Thus, these two steps were not tested in this study.

*Setting performance objectives –> Monitoring of performance and performance reviews, giving feedback and training to subordinates –> Appraising and rewarding subordinates*

There were written guidelines on the PM process in both factories. As to the performance objectives, both factories had the practice of the objectives primarily set by supervisors with little participation from subordinates.

3) Performance Evaluation

In both factories, key result areas and goals were identified and linked to the organisation's VMV and strategies. Performance objectives were linked to key result areas. The measures of performance were communicated to all. Supervisors were the raters, and there were no 360 degree performance reviews in both factories. In the plastics factory, it was required that clear justifications of outstanding or poor performance were communicated to employees during face-to-face performance reviews.

4) Frequency of Evaluation

In both factories, performance evaluation was to be conducted in 4-5 months after the pilot launch of the PM system. Both factories wished to have data for references before expanding the practice of the PM system factory-wide to all staff. Both factories indicated that they would arrange the performance evaluation to be conducted on a yearly basis after the PM system was expanded factory-wide to all staff.

5) Rater's Training

In both factories, the rater's training was mainly conducted by supervisors of

the raters. There were rater's training and briefings provided for managers (section/team heads) by division/department heads. Rater's training and briefings for frontline supervisors were conducted by managers (section/team heads) (these managers were supervisors of the frontline supervisors). In the plastics factory, the GM conducted briefings to managers (section/team heads) to share the personal tips and insights of the GM in conducting performance management.

6) Motivation

In both factories, motivation to the PM system was mainly from the rewarding arrangements and recognition based on achievement of performance objectives which were linked to the key result areas and understood by all.

There were other motivating activities in the plastics factory as follows:

i) The slogans, posters, notices and quotes on the PM system posted around the factory helped to motivate staff.

ii) The senior officer who championed the change conducted counseling and coaching to staff whenever necessary. In the process, he promoted and shaped the positive thinking of staff towards the PM system.

iii) There were employee groups which organised fun activities such as karaoke singing and picnicking. These fun activities were funded by the factory, and all employees could participate. According to the factory management, these fun activities were welcome by employees, and helped to motivate them.

7) PMS (Performance Management System) Responsibilities

In the plastics factory, the project team on implementation of the PM system conducted briefings on PMS responsibilities to division/department heads, managers (section/team heads) and frontline supervisors. In the machinery factory, the GM and the senior management conducted briefings on PMS responsibilities to managers (section/team heads) and frontline supervisors. In both factories, PMS responsibilities also included coaching, motivating and developing subordinates. The PMS responsibilities were taken up by the raters (supervisors).

In the post-intervention meetings, the senior officers who championed the change in the two factories mentioned that the managers (section/team heads) and frontline supervisors knew and understood their PMS responsibilities.

8) Continuous Improvement

As reported in Section 4.3.4 b) above, after the launch of the pilot PM system, the two factories would expand the practice of the PM system factory-wide to all staff, and continue to communicate and promote the needs and benefits of the PM system to all staff. They would review and improve the PM system as necessary when proceeding to expand the practice of the PM system factory-wide.

To sum up, the PM system in both factories during the pilot launch appeared to exhibit common practices in PM, including establishing performance objectives, motivating employees, observing and evaluating performance, and rewarding performance.

There are two more points noted in the PM system in the two factories as follows:

i) There was influence of the Chinese cultural values of high-power distance, as shown in the performance objectives were primarily set by supervisors, performance evaluation was primarily by supervisors and there were no 360 degree performance reviews in both factories. More, the fun activities for all employees in the plastics factory reflected the collectivist culture in China. As discussed in Section 2.3.3 in Chapter Two, under a collectivist culture, group gatherings such as the fun activities in the plastics factory could serve as 'social motivators' (Tsang, 2007: p. 281) under which employers used social pressure and the sense of being a decent member of the group to instil the desired work attitudes and behaviours among employees.

ii) The rater's training might not be sufficient. Herman (2007) suggests that rater's training should include rater error training, behavioural observation training and self-leadership training. Moreover, there should be training on skills of coaching, motivating, influencing and giving feedback (Liu and Dong, 2012; Franklin, 2014) to facilitate the effective performance of a rater. The above involve different training areas and professional expertise is required to conduct the training in some areas. Rater's training mainly by supervisors of the raters in the two factories might not be sufficient to equip the managers (section/team heads) and frontline supervisors with the skills and tools to conduct effective performance appraisals.

*e) Findings on Features Specific to China under Hypothesis 2*

There were two features in the findings under Hypothesis 2 which were specific to China.

1) From discussion under Section 4.3.4. b), it appeared awareness of the need for

change had been created in the two factories in the first stage of the change process. However, from discussion in Section 4.3.2., there might have been insufficient effort taken by the managers during the implementation. The findings and analysis in Sections 4.3.2 and 4.3.4.b) support the study of Alas et al. (2012) that managers in China could create awareness of the aims of a change, but might not put sufficient effort into the implementation.

One reason for the insufficient effort might be the adoption of the 'top-down hierarchical management system' (Alas et al., 2012: p. 96) by managers in China to administer a change. In China, the 'top-down hierarchical management system' is common in the daily business operation (Alas et al., 2012). The studies of Alas et al. (2012) and Sun and Alas (2007) showed managers in China might adopt this 'top-down hierarchical management system' to administer a change which was initiated by the top management. This might have happened in the two factories. As a result, the managers in the two factories might have overlooked the empowerment of employees, which might lead to the insufficient effort by them to empower employees in the implementation.

2) As discussed in 4.3.4.d) above, the fun activities for all employees in the plastics factory reflect that employers in China may use 'social motivators' (Tsang, 2007: p.281) to instil the desired work attitudes and behaviours among employees. Tsang (2007) comments that the social motivators are additional to the financial incentives/motivators in the Chinese context.

To sum up, all the summaries above, including the findings on adoption of Kotter's

model, the organisational change process in the two factories, the overall practice of the pilot PM system, and the features specific to China found under Hypothesis 2, aim to add more value to this research study and to provide more knowledge and insights to industry players who wish to implement a PM system in factories in the Pearl River Delta of China.

## 4.4. Findings for Hypothesis 3

To test Hypothesis 3, a survey was conducted to measure the job satisfaction of employees (frontline supervisors and frontline workers). The measurement was conducted twice, one in the pre-intervention stage, another one in the post-intervention stage. I compared the results from the two time periods to assess the benefits of implementing the PM system.

Table 19 shows the data from the job satisfaction survey in the post-intervention stage.

**Table 19: Overall Data on Post-intervention Job Satisfaction Survey**

| | Plastics factory (conducted in early August 2012) 165 questionnaires were sent out, 100 were returned (return rate: 60.6%) | | | | | | | | Machinery factory (conducted in early October 2012) 36 questionnaires were sent out, 24 were returned (return rate: 66.7%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD | **5** | **4** | **3** | **2** | **1** | Total | Mean | SD |
| **I** | 10 | 36 | 18 | 17 | 19 | 100 | 3.01 | 1.31 | 1 | 6 | 5 | 10 | 2 | 24 | 2.75 | 1.07 |
| **II** | 1 | 39 | 33 | 11 | 16 | 100 | 2.98 | 1.09 | 0 | 4 | 13 | 5 | 2 | 24 | 2.79 | 0.83 |
| **III** | 18 | 16 | 23 | 24 | 19 | 100 | 2.90 | 1.37 | 1 | 2 | 6 | 10 | 5 | 24 | 2.33 | 1.05 |

For the plastics factory, the overall mean of the data is 2.96 (rounded down from 2.963) while the overall standard deviation is 1.26. (Similarly, the overall mean was 2.96, rounded up from 2.957, and the standard deviation 1.27 in the pre-intervention survey.) Cronbach's

alpha is 0.719, which shows an acceptable level of internal consistency in the measurement (Cronbach, 1951).

For the machinery factory, the overall mean of the data is 2.63 while the overall standard deviation is 0.99. (The overall mean was 3.13 and the standard deviation 0.91 at the pre-intervention stage.) Cronbach's alpha is 0.643, which is considered acceptable for a study with a small sample size (Hair et al., 2006).

### 4.4.1. Analysis of Data in Job Satisfaction Surveys

*i) Data in Both Factories in Post-intervention Job Satisfaction Survey*

**Table 20: Data for the Post-intervention Job Satisfaction Survey**

| | *Plastics factory (post-intervention)* | | | | | | *Machinery factory (post-intervention)* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q. | Mean | SD | % of responses on '5' and '4' (positive side) | % of responses on '1' and '2' (negative side) | Difference between responses on '5' or '4' vs '1' or '2' | Responses on the mid-point '3' (*neutral*) | Mean | SD | % of responses on '5' and '4' (positive side) | % of responses on '1' and '2' (negative side) | Difference between responses on '5' or '4' vs '1' or '2' | Responses on the mid-point '3' (*neutral*) |
| **I** | 3.01 | 1.31 | 46.0% | 36.0% | 10.0% | 18.0% | 2.75 | 1.07 | 29.2% | 50.0% | -20.8% | 20.8% |
| **II** | 2.98 | 1.09 | 40.0% | 27.0% | 13.0% | 33.0% | 2.79 | 0.83 | 16.7% | 29.2% | -12.5% | 54.2% |
| **III** | 2.90 | 1.37 | 34.0% | 43.0% | -9.0% | 23.0% | 2.33 | 1.05 | 12.5% | 62.5% | -50.0% | 25.0% |

The above data show that, in the plastics factory, the mean for Questions I and II is very close to the mid-point '3', respectively at 3.01 and 2.98. For Question III, the mean is 2.90. The percentage on the positive side ('5' and '4') is higher than the negative side ('1' and '2') for Questions I (10%) and II (13%). For Question III, the negative side is 9% more than the positive.

For the machinery factory, the mean for all three questions is below the mid-point '3'. The percentage on the positive side is lower than the negative for all three questions, ranging from -12.5% to -50%.

*ii) Analysis of Data in Plastics Factory in Pre- and Post-intervention Job Satisfaction Surveys*

**Table 21: Data on Job Satisfaction in Pre-intervention and Post-intervention Stage for Plastics Factory**

| Q. | Mean | | SD | | % of responses on '5' and '4' (positive side) | | % of responses on '1' and '2' (negative side) | | Difference between responses on '5' or '4' vs '1' or '2' | | Responses on the mid-point '3' | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** |
| I | 2.94 | ***3.01*** | 1.33 | ***1.31*** | 43.5% | ***46.0%*** | 39.1% | ***36.0%*** | 4.4% | ***10.0%*** | 17.4% | ***18.0%*** |
| II | 3.15 | ***2.98*** | 1.09 | ***1.09*** | 43.5% | ***40.0%*** | 23.2% | ***27.0%*** | 20.3% | ***13.0%*** | 33.3% | ***33.0%*** |
| III | 2.78 | ***2.90*** | 1.37 | ***1.37*** | 34.8% | ***34.0%*** | 46.4% | ***43.0%*** | -11.6% | ***-9.0%*** | 18.8% | ***23.0%*** |

Pre = Pre-intervention Post = Post-intervention

In the plastics factory, the mean of each question improves slightly for Question I from 2.94 to 3.01, and Question III from 2.78 to 2.90. However, for Question II, the mean drops from 3.15 to 2.98. Comparing the scores on the positive side ('5' and '4') and the negative side ('1' and '2' ), there is slight improvement in Question I, from 4.4% to 10%, and in Question III, from -11.6% to -9%. However, for Question II, the difference drops from 20.3% to 13%.

According to the analysis in Section *4.3 Findings for Hypothesis 2* in this chapter, there might have been insufficient effort by the managers during the implementation of the PM system in the two factories. The areas of insufficient effort might include

communication, change participation, employee feelings and emotions, and employee training and learning. Such insufficient effort by the managers during the implementation might contribute to employees giving lower scores for Question II 'Which one of the following statements best describes how you feel about your job?' in the job satisfaction survey in the post-intervention as compared with the pre-intervention stage. Moreover, such possible insufficient effort by the managers during the implementation process might contribute to the lower-than-midpoint mean at 2.90 for Question III in the post-intervention job satisfaction survey.

There might be another reason contributing to the lower-than-midpoint mean for Question III in the post-intervention job satisfaction survey. As pointed out in Section *4.1 Findings in the Pre-intervention Stage* in this chapter, the basic monthly wage for an ordinary frontline worker in the plastics factory was on average around RMB$1,100, lower than the market average of RMB$1,300. It appears the plastics factory might still need to tackle this 'lower wage' issue, which might contribute to the lower-than-midpoint mean for Question III '*Which one of the following statements best describes how you feel about changing your current job?*'. This interpretation draws support from a study in China by Tian-Foreman (2009) which found wages were negatively correlated with turnover intention in a leading Chinese fashion retail chain.

In sum, the data yielded from the job satisfaction surveys appear to be similar in the pre-intervention and the post-intervention stages in the plastics factory. The overall mean in both surveys is 2.96. The *p*-value yielded in the *t* test of two sample means conducted for the two groups of data is 0.953 (much higher than the 0.05 alpha level of significance) which indicates that there is no significant difference statistically.

From the above data, it appears that there was no improvement in job satisfaction in the post-intervention stage in the plastics factory.

*iii) Analysis of Data in Machinery Factory in Pre- and Post-intervention Job Satisfaction Surveys*

**Table 22: Data on Job Satisfaction for Each Question in the Pre-intervention and Post-intervention Stage for the Machinery Factory**

| Q. | Mean | | SD | | % of responses on '5' and '4' (positive side) | | % of responses on '1' and '2' (negative side) | | Difference between responses on '5' or '4' vs '1' or '2' | | Responses on the mid-point '3' | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** | Pre | ***Post*** |
| I | 3.00 | ***2.75*** | 0.86 | ***1.07*** | 35.0% | ***29.2%*** | 35.0% | ***50.0%*** | 0.0% | ***-20.8%*** | 30.0% | ***20.8%*** |
| II | 3.65 | ***2.79*** | 0.67 | ***0.83*** | 65.0% | ***16.7%*** | 5.0% | ***29.2%*** | 60.0% | ***-12.5%*** | 30.0% | ***54.2%*** |
| III | 2.75 | ***2.33*** | 0.97 | ***1.05*** | 25.0% | ***12.5%*** | 40.0% | ***62.5%*** | -15.0% | ***-50.0%*** | 35.0% | ***25.0%*** |

Pre = Pre-intervention Post = Post-intervention

For the machinery factory, the overall mean of the whole survey and the mean of each question appear to have dropped in the post-intervention stage as compared with the pre-intervention. The difference between the scores on the positive side ('5' and '4') and the negative side ('1' and '2') for all questions has dropped as well. The greatest drop is in Question II in which the mean goes down from 3.65 to 2.79, and the difference between the positive and the negative from +60% to -12.5%.

From the data yielded, there is an overall drop in the scores in the post-intervention stage compared with the pre-intervention. The *p*-value yielded in the *t* test conducted for the two groups of data is 0.003, which is lower than the 0.05 alpha level of significance. The *t* test *p*-value indicates that there is significant difference

statistically between the two groups of data. (This significant difference statistically refers to the difference resulting from the overall drop of the scores in the post-intervention survey.)

It is suggested that insufficient effort by the managers during the implementation of the PM system in the machinery factory might have contributed to the overall drop in the scores in the post-intervention stage.

Moreover, as mentioned earlier and will be reported in the later part of this chapter, there was a significant increase in employee performance (14%) and labour productivity (20%) in the post-intervention stage in the machinery factory compared with the pre-intervention stage. Such a significant increase is generally the result of lots of drive and vigour from the managers. In the process, the managers might have focused on task accomplishments and overlooked the intrinsic values, feelings and emotions of employees. This might have contributed to the overall drop in the scores from the job satisfaction survey in the machinery factory in the post-intervention.

In brief, from the data yielded, there was an overall drop in the scores from the job satisfaction survey in the post-intervention stage in the machinery factory.

### 4.4.2. Summing up for Hypothesis 3

*a) Overall*

Table 23 summarises the data from all the job satisfaction surveys.

**Table 23: Summary of Job Satisfaction Data**

| Item | Plastics factory | | Machinery factory | |
|---|---|---|---|---|
| | **Pre-intervention** *(as at 15 March 2012)* | **Post-intervention** *(as at 1 August 2012)* | **Pre-intervention** *(as at 15 May 2012)* | **Post-intervention** *(as at 1 October 2012)* |
| -Respondents | 69 | 100 | 20 | 24 |
| -Overall mean | 2.96 | 2.96 | 3.13 | 2.63 |
| -Overall SD | 1.27 | 1.26 | 0.91 | 0.99 |
| -Q. I | | | | |
| Mean | 2.94 | 3.01 | 3.00 | 2.75 |
| SD | 1.33 | 1.31 | 0.86 | 1.07 |
| -Q. II | | | | |
| Mean | 3.15 | 2.98 | 3.65 | 2.79 |
| SD | 1.09 | 1.09 | 0.67 | 0.83 |
| -Q. III | | | | |
| Mean | 2.78 | 2.90 | 2.75 | 2.33 |
| SD | 1.37 | 1.37 | 0.97 | 1.05 |
| -*t* test *P*-value | 0.953 | | 0.003 | |

From the data from the job satisfaction surveys, it cannot be concluded that there was any improvement in job satisfaction in the plastics factory in the post-intervention stage. For the machinery factory, the data show an overall drop in job satisfaction in the post-intervention stage.

*b) Ruling out Possible Determinants of Job Satisfaction Other Than Implementation of the PM System*

Analysis in Section 2.3.5. of Chapter Two shows the determinants of job satisfaction can be grouped under the areas of 1) *HRM practices/interventions* (e.g. pay, promotion, supervision, support from management, training, recognition and respect to employees), 2) *the work itself* (e.g. working conditions, job content and significance), 3) *co-workers*, and 4) *employees' personal attributes* (e.g. values and personality).

From information collected in the post-intervention meetings with the management of the two factories, it is confirmed that in both factories there was/were:

i) no other new HRM initiatives, interventions or practices launched in the two factories during the research period;

ii) no drop in the pay levels and the overall earnings of employees in the period;

iii) no change to the overall work deployment of employees, the nature of their work, and their overall working environment and conditions, and no change to the production machines and resources (e.g. better materials; better equipment) in the research period; and

iv) no major change to the methods and systems to manage the employees, or any major change or reshuffle to the teams/sections that employees worked under in the research period.

From findings reported in Section 4.5.1. below about employee turnover in the pre- and post-intervention stages, there was 1% change from 5% to 4% in the machinery factory, and 1.6% change from 4.4% to 6% in the plastics factory. The percentages in turnover in both factories were low throughout the research period. Low turnover indicated the group of co-workers was largely stable throughout the research period. Low turnover also meant largely the same group of employees remained there. Under largely the same group of employees, the personal attributes of employees remained similar in the post-intervention stage as in the pre-intervention stage.

Information from points i) and ii) above has ruled out possible determinants of changes in job satisfaction other than implementation of the PM system under the area of '*HRM practices/interventions*' in the two factories during the research period. Information from point iii) above rules out other possible determinants under the area of '*the work itself*'. Point iv) above together with the low turnover rules out other

possible determinants under the area of '*co-workers*', and low turnover rules out those determinants under '*employees' personal attributes*'.

In brief, possible determinants of changes in job satisfaction other than implementation of a PM system are ruled out in the research period for both factories. These determinants, as analysed in Section 2.3.5. of Chapter Two, are grouped under the areas of 1) *HRM practices/interventions*, 2) *the work itself*, 3) *co-workers*, and 4) *employees' personal attributes*.

*c) Conclusion*

From analysis so far, Hypothesis 3, 'Implementation of a PM system enhances job satisfaction among employees' is *not* supported.

The lack of improvement in job satisfaction in the plastics factory and the drop in the scores from the job satisfaction survey in the post-intervention stage in the machinery factory is contrary to findings in the literature (Burney and Swanson, 2010; Gupta and Upadhyay, 2012; Hall, 2008; Harber, 1998; Rompho and Siengthai, 2012) that performance management is positively related to job satisfaction among employees.

## 4.5. Findings on a) Evaluation of Job Performance of Employees by direct Supervisors, b) Labour Productivity of Employees, and c) Employee Turnover and Absenteeism

### 4.5.1. Overall Findings

Aggregate summarised data were obtained from the factory management on a), b) and c) above. Such aggregate summarised data served as additional information to assess the benefits the PM system brought to the factories in addition to the potential enhancement of job satisfaction.

The data were collected twice, one in the pre-intervention stage, and again in the post-intervention stage. There was comparison of the results from the two time periods to assess the benefits of implementing the PM system. Table 24 shows the data from the two factories.

**Table 24: Data on Employee Performance, Productivity, Turnover and Absenteeism**

| **Item** | **Plastics factory** | | **Machinery factory** | |
|---|---|---|---|---|
| | **Pre-intervention** *(as at 15 March 2012)* | **Post-intervention** *(as at 31 July 2012)* | **Pre-intervention** *(as at 15 May 2012)* | **Post-intervention** *(as at 30 September 2012)* |
| Evaluation of employee performance by direct supervisors (aggregate summary) | 78.5% (against 100% as the full mark) | 81.5% (against 100% as the full mark) | 3.3 against the full mark of 5, or 66% against 100% as the full mark | 4 against the full mark of 5, or 80% against 100% as the full mark |
| Labour productivity of employees | 86%, with wastage rate at 6.9% | 82%, with wastage rate at 3.2% | 60% | 80% |
| Employee turnover rate | 4.4% | 6% | 5% | 4% |
| Absenteeism rate | 16% | 23% | 5% | 4% |

For the machinery factory, it appears there was improvement in all areas, with the following rates of increase:

- evaluation of employee performance by direct supervisors: 14%
- labour productivity: 20%
- turnover rate: 1%
- absenteeism rate: 1%

In the plastics factory, the evaluation of employee performance by direct supervisors in the post-intervention stage was higher than pre-intervention, at 81.5% from 78.5%. For labour productivity, it was 82% compared with 86% pre-intervention. However, the wastage rate was 3.2%, markedly lower than the 6.9% pre-intervention. According to the factory

management, they had been having difficulty obtaining sufficient orders during the whole period of the research survey (March-July 2012). Given the wastage rate markedly improved to 3.2% compared with 6.9% in the pre-intervention stage, they accepted the labour productivity rate of 82% compared with 86% pre-intervention.

The turnover rate in the plastics factory was 6%, up from 4.4% in the pre-intervention stage. According to the factory management, the increased turnover rate in the post-intervention stage was mainly due to the group of summer job seekers who left the factory at the end of July 2012. The factory management explained that in June each year many summer job seekers were recruited as workers, then left at end of July/early August after receiving some earnings. The factory usually could not distinguish those summer job seekers from other ordinary workers at the recruitment stage.

The absenteeism rate in the plastics factory was 23%, up from 16% in the pre-intervention stage. According to the factory management, as there were fewer production orders in July 2012 than in March 2012, absenteeism in the post-intervention stage was higher than pre-intervention. The factory allowed the absence of employees to help alleviate the over-capacity in the factory.

In brief, the improvements in the plastics factory were mixed. There was improvement in employee performance, and the wastage rate.

### 4.5.2. Ruling out Possible Determinants of a) Job Performance of Employees, b) Labour Productivity of Employees, and c) Employee Turnover and Absenteeism Other Than Implementation of the PM System

The discussion in Section 2.4.2. of Chapter Two shows the determinants of a), b) and c) above can all be grouped under the areas of 1) *personal attributes/situations*, 2) *HRM*

*practices/interventions*, 3) *the work itself*, 4) *co-workers/work groups*, 5) *management of employees*, and 6) *economic and market conditions*.

Ways to rule out possible determinants other than implementation of the PM system under the areas of 1) – 4) have already been discussed in Section 4.4.2.b) in this chapter. As discussed in Section 4.4.2.b), it is confirmed that information collected in the post-intervention meetings with the management of the two factories has ruled out possible determinants other than implementation of the PM system under the areas of 1) – 4).

For other possible determinants under area 5) *management of employees*, information collected in the post-intervention meetings showed that, except for implementation of the PM system, there was no major change to the methods and systems to manage the employees during the research period. Thus, possible determinants other than implementation of the PM system under area 5) are ruled out.

For the area 6) *economic and market conditions*, as discussed in Section 2.4.3. of Chapter Two, unless there is a rare incident such as the financial tsunami in 2008, it is unlikely that the economic and market situations will change a lot in 4 months' time (the research period). From Dongguan Bureau of Statistics (2012), Table 25 presents information about the total value of exports during the research periods in Dongguan City (where the plastics factory and the machinery factory were situated).

**Table 25: Total Value of Exports in Dongguan City During Research Periods**

| | **Plastics Factory** | **Machinery Factory** |
|---|---|---|
| *Total value of export during pre-intervention* | *March 2012* US$68.93 (*billion*) | *May 2012* US$70.79 (*billion*) |
| *Total value of export during post-intervention* | *July 2012* US$72.15 (*billion*) | *September 2012* US$82.94 (*billion*) |

From the above, in the research period of the plastics factory, the total value of exports increased slightly by around 4.7% in the post-intervention as compared with the pre-intervention period. As to the machinery factory, there was around 17.2% increase in post-intervention exports (September 2012) from pre-intervention (May 2012).

From the discussion in Section 2.4.2. *Determinants of Job Performance of Employees, Labour Productivity of Employees, and Employee Turnover and Absenteeism* in Chapter Two, it is noted that when economic and market conditions deteriorate, for example, under high unemployment, employees will tend to stay on the job, perform better and be more satisfied. Also, a rise in unemployment levels can lead to a decrease in absence rates. Given there was an increase in the total value of exports in the post-intervention as compared with the pre-intervention period, the economic and market conditions improved in the research periods of both factories. Under improved economic and market conditions, there are more job offers. More job offers can lead to increase in turnover and absentee rates, and drop in employees' performance and labour productivity (Selladurai, 1991). Thus, possible determinants of improvement in job performance of employees, labour productivity of employees, and employee turnover and absenteeism other than implementation of the PM system under area 6) *economic and market conditions* in the research period are ruled out.

In brief, possible determinants other than implementation of the PM system under areas 1) – 6) are all ruled out in the research period of both factories.

### 4.5.3. Summing Up

To sum up, for data on a) evaluation of employee performance by direct supervisors, b) labour productivity of employees, and c) employee turnover and absenteeism rates from

the factories, there was improvement in all areas in the machinery factory. In the plastics factory, there was improvement only in employee performance and the wastage rate.

Although Hypothesis 3 is not supported, there were improvements shown in employee performance, labour productivity, employee turnover and absenteeism. Given possible determinants other than implementation of the PM system are ruled out, these improvements are linked to the benefits of implementing the PM system in the two factories.

## 4.6. Conclusion for the Chapter

For the three hypotheses in this research study, H1 is supported, while H2 and H3 are not supported. From the findings and analysis in this chapter, it is highly possible that there was insufficient effort by managers during the implementation process. Another important finding in this chapter is that adopting a change model is no guarantee to lead to success of change.

The findings in this chapter confirm the necessity of sufficient effort, input and support from the management, especially the managers who implement the change. Such findings provide empirically practical references to implementation of a change programme to set up a PM system in SME factories in China.

There were post-implementation improvements in employee performance, labour productivity, employee turnover and absenteeism in the machinery factory, and improvements in employee performance and wastage rate in the plastics factory. Such improvements showed the benefits of implementing the PM system in the two factories, not only at the individual level as in improvement in employee performance, but also at the

level of organisational outcomes, including labour productivity and turnover.

Suggestions to improve the implementation process will be discussed in Chapter Five. These suggestions aim to provide a point of departure (Cheng et al. 2007) for SME factories in China to consider strategies to successfully implement a PM system in the future.

# CHAPTER FIVE

# CONCLUSIONS AND RECOMMENDATIONS

The results and findings of this research study provide insights and implications for the research topic *Implementing a Performance Management System in Small and Medium-Sized Enterprise Factories in the Pearl River Delta of China*. Practical and empirical references can be drawn from the results and findings for managers and industry players in SME factories in China on how to implement a PM system.

There will be suggestion of a practical method of implementing a PM system in SME factories in China. This practical method is an amalgam of practices drawn from findings of this research study and ideas derived from the literature. This practical method consists of I) formulating the change in consistence/congruence (fit) with the VMV of the factory; II) paying attention to organisational change management (including ways to render sufficient effort and input from the management in the process); III) adopting a blended change model; and IV) ensuring support from the human resource department/division to facilitate the implementation. These points will be described in detail here.

## 5.1. Fit of Change with VMV of the Organisation and Commitment to Change

The findings of this research study showed that 'fit of the change with the vision, mission and values (VMV) of the factory' was positively related to 'commitment to change among employees'. Thus, it is suggested that a change should be formulated and steered to be consistent/congruent (to fit) with the VMV of the organisation. From support of Jacobs et al. (2013), it is easier to implement a change that is consistent with the identity of the organisation than a change that is in conflict with it. A change in conflict with the identity of the organisation can lead to low work satisfaction (Jacobs et al., 2013). The VMV of an organisation embodies its identity. When there is 'fit of the change with the VMV of the organisation', the change is consistent with the identity of the organisation.

This suggestion of making the change in consistence /congruence with the VMV of the organisation is supported by Parish et al. (2008) who advocate that the organisation should put in effort to demonstrate clearly and understandably to employees how the change was consistent/congruent (fits) with the organisation's VMV as well as with the larger strategic picture of the organisation. This helps to enable employees' commitment to the change. As noted by Parish et al. (2008), open and timely communication about the rationale and reasons for the change, and about the consistence/congruence with the organisation's VMV, should be part of the implementation plan.

The findings from this research study showed that employees showed commitment to the change at the start of the change implementation. This reflected that awareness of the need for change had been created in the two factories. However, the findings under Hypothesis 2 of this research showed there might have been insufficient effort by the managers during the process. This leads to discussion of the process of organisational change management.

## 5.2. Organisational Change Management

It is widely believed that strategic planning and implementation is needed in a change. In this research study, right at the start of the change, there was 'fit of the organisational change with the VMV of the organisation' to enable commitment to the change among the employees. The management of the two factories performed diagnosis and analysis of the current situations and operations, then formulated the change in the direction of the desirable future state as embodied in the VMV of the factories. This fostered change that was congruent with the VMV of the organisation.

The management of the factories then adopted Kotter's (1996) 8-step model for the implementation. The change was first implemented in half of the staff in the factory as a pilot to gain quick initial success and benefits to sustain the momentum and employees'

commitment to the change. This strategy is in line with the ideas of Abdallah (2014) who suggests starting the change in one or two departments before full implementation.

In brief, there was strategic planning and implementation to set up the PM system in the two factories. However, findings under Hypothesis 2 of this research showed there might have been insufficient effort by the managers during the process, which might have affected employees' ratings in the surveys of perceived implementation success of the PM system and post-implementation job satisfaction. From the findings of this research study and ideas derived from the literature, the following suggestions on effort and input from the management to enhance the implementation process are offered.

### 5.2.1. Support from Management

Management commitment and support is essential to sustain the momentum and the impetus of a change programme (Abrell-Vogel and Rowold, 2014; Al-Balushi et al., 2014). Hence, the management, including the top management, should ensure that they are prepared to be involved and to put in the time and resources required during the change implementation (O'Mahony and Garavan, 2012).

There are three suggestions offered in this section, two are from the findings of this research study and one is derived from the literature.

i) <u>Suggestions from findings of research study</u>

*a) Commitment from top management*

The senior management of the two factories were found committed in the change. The GM of the plastics factory officiated the launching ceremony on implementation of the PM system. This GM also conducted briefings to managers (section/team heads) to share the personal tips and insights of the GM in

conducting performance management. In the machinery factory, there were briefings by the GM and the senior management to managers (section/team heads) on ways to conduct the change. Such commitment and practice of the GMs in the two factories drew the attention of employees, informed them of the importance and priority of the change, and inspired them to support the change. There is support from the literature to such practice. Woo (2007) advocates that top management should be visible in the process, for example, conducting briefings to employees, holding regular meetings with the middle managers, appearing in the organisation's newsletters, and publicising the rationale and benefits of the change with different means and modes.

*b) Respectable key person to champion change*

There was a project team on implementation of the PM system in both factories. This project team was headed by a senior officer who championed the change in the factory and had support from the GM. The vision and strategy for the change in both factories were developed by the project team with input and suggestions from the GM. There is support to such practice of a change champion from the literature. Franklin (2014) and Woo (2007) advocate that the organisation should appoint a respectable key person in a senior position with the available resources, authority and knowledge to be responsible for and champion the change. This senior officer can also influence and motivate employees, know their concerns, and if necessary, can give counselling to them.

ii) <u>Suggestions derived from the literature</u>

*Commitment from managers who lead and implement the change*

The findings of this research study show there might have been insufficient input and effort taken by the managers (section/team heads) who implemented the change.

There is a suggestion from Abrell-Vogel and Rowold (2014) who advocates that commitment to change should be explicitly present and demonstrated in the behaviour of not only the top management, but also the managers who lead and implement the change. In the words of Abrell-Vogel and Rowold (2014), the managers need to 'role-model' (p. 916) their commitment to change to employees. Thus, training for the mangers is essential, first to develop their commitment to the change, then to make them understand the necessity and benefits of explicitly role-modelling their commitment to the change to employees (Abrell-Vogel and Rowold, 2014).

In sum, as O'Mahony and Garavan (2012) comment, top management should utilise its position and influence to strengthen the momentum and impetus of the change, and to allocate sufficient resources to support the change. Middle managers should role-model their commitment to change, cultivate good team spirit, take care of the feelings and emotional needs of employees, and deploy resources to achieve the goals of the change.

### 5.2.2. Communication

Organisational change involves a communication process (Jansson, 2013; Jian, 2011) which enables employees to accept the change wilfully (Adil, 2016). Communication serves not only to inform, but also to involve and motivate employees to participate in the change (Caldwell, 1993).

i) <u>Suggestions from findings of research study</u>

*a) Initiatives by top management*

In the plastics factory, as discussed before, there was a launching ceremony officiated by the GM. In the machinery factory, there were briefings by the GM and the senior management to the managers (section/team heads) on ways to

communicate the change. The GM in the machinery factory also invited input from all section/team heads (managers) on the design and contents of the new performance appraisal forms as a way to publicise the matter. El-Farra and Badawi (2012) comment that the management need to communicate clearly to employees the reasons, rationale and benefits for the change. Also, the desired future state after the change and firm commitment from the management should be clearly stated. As reported in Chapter Four, employees were receptive to the communication of the change vision at the beginning of the intervention to set up the PM system in both factories. This showed the communication initiatives by the top management of the two factories yielded positive results at the beginning of the change.

*b) Initiatives by managers who implement the change*

There were briefings and talks on the change to employees by the managers (section/team heads) in both factories. Moreover, these managers in both factories referred to the change vision and recapped the benefits of the change from time to time in daily work and work briefings. In the plastics factory, during briefings, gatherings and events/functions, the managers always referred to the videos recorded during the launching ceremony of the PM system, as well as the written slogans, posters, notices and quotations on the PM system. It is essential that, as supported by El-Farra and Badawi (2012), managers who implement the change should be encouraged to take the initiative to involve employees, communicate with them on the change messages, and convey to them that the organisation values the contribution of its employees. All these communication initiatives help to maintain the momentum of change.

*c) Emotional components in communication*

In the plastics factory, there were written slogans, posters, notices and quotations

posted all around the factory. Fox and Amichai-Hamburger (2001) advocate that effective communication about change also carries an emotional component. Such emotional component helps to strengthen the value alignment with those who support the change, and minimises the emotional objection of those who are yet to support it. El-Farra and Badawi (2012, p. 179) comment that, in communication, the management can focus on the emotions of employees and employ approaches accordingly, for example, using symbolic metaphors to describe the realities and emotionally connotative words for the success brought by the change; using pictures, posters, slogans and colour in the change messages; and communicating with employees in group settings and during ceremonies. In the plastics factory, it is noted that the launching ceremony (attended by all staff) of the change, as well as the written slogans, posters, notices and quotations posted all around in the factory embody this emotional components in communication.

ii) <u>Suggestions derived from the literature</u>

From findings under Hypothesis 2 in this research study, there might have been insufficient communication by the managers who implemented the change. There are suggested ideas from the literature to enhance the communication as follows:

*a) More effort and input by managers who implement the change*

There should be daily open communication with frequent feedback, open exchange of ideas, and adequate explanation of decisions by the managers who implement the change (Vakola, 2014). More effort and input of explanation, communication and positive influencing to gain employees' involvement and support should be adopted. These measures help to involve employees, enhance their positive appraisal of the change, foster their understanding of and receptivity to the benefits of the change, and gain their support and commitment (Manning, 2012; Oreg, 2006;

Vakola, 2014). Training for the mangers who implement the change, as advocated by Abrell-Vogel and Rowold (2014), is essential for developing their commitment to the change, enhancing their understanding of the necessity of change communication, and fostering their skills in change communication.

Moreover, communication by the managers who implement the change should also include elements (e.g. training and support for employees) to enhance employees' self-efficacy in change (referring to employees' belief that they can successfully handle and cope with the change) and their confidence (El-Farra and Badawi, 2012).

*b) More effort and input by top management*

Top management should hold regular briefings to inform employees of the progress and achievements during the change (Woo, 2007). This not only establishes the importance of the change, but also maintains the momentum among employees. Also, there should be regular meetings between the top management and the managers who lead and implement the change. This will in turn encourage the managers to conduct regular meetings with employees on the change.

*c) Others*

Henderson and Ruikar (2010) put forward two more useful ideas. Firstly, during the change process, the management should ensure there is compatibility between the decisions made at different levels of the organisation. These decisions and the rationales behind them should be communicated clearly to employees. Secondly, communication about the change should be conducted not only during the process, but also prior to the change, so that uncertainty and emotional distress among employees can be reduced.

To sum up, communication is an important tool to foster employees' engagement and participation in the change. In addition to communication purposes, the suggestions discussed above can be utilised to involve and engage employees in the implementation process.

### 5.2.3. Training

It is widely believed that extensive training for employees is required during implementation of change (Arindam and Bhattacharya, 2009; Chung et al., 2014; Woo, 2007). The competence and knowledge of employees related to the change are essential to the implementation (Momoh et al., 2010). A study by McAdam and Galloway (2005) showed relevant training, together with practical awareness of the need for and benefits of the change among employees, facilitated the implementation.

As to managers who implement the change, the study of McAdam and Galloway (2005) showed that more maturity in working years or in managerial experience might not necessarily make managers better at implementing change. Training is thus required to enhance their skills in implementing change (Franklin, 2014).

i) Suggestions from findings of research study

*Training delivered by supervisors/seniors*

There were briefings and training on knowledge and skills for conducting performance management provided for managers (section/team heads) and frontline supervisors (unit heads/line heads/workstation heads) in both factories. In the plastics factory, the GM conducted briefings to managers (section/team heads) to share the personal tips and insights of the GM in conducting performance management. In the machinery factory, the GM and the senior management conducted briefings to the managers (section/team heads) on ways to conduct the change.

For employees, in both factories, the managers (section/team heads) conducted talks/briefings and learning/sharing sessions for frontline supervisors and frontline workers on the details of implementing the PM system.

It is essential that supervisors/seniors conduct training for subordinates/employees in the change so as to convey the accurate and updated change information, indicate the accurate change direction, gain influence to subordinates/employees, and enhance their support and commitment.

ii) Suggestions derived from the literature

Findings under Hypothesis 2 showed there might have been insufficient personal learning and training, and acquisition of required skills and knowledge among employees in both factories. It appeared more training should have been provided for the employees and the managers in both factories to facilitate the implementation success. The following are suggested ideas from the literature to enhance the training for managers and employees.

*a) For Managers*

In addition to performance management training, communication skills and ways to provide frequent feedback to employees should be arranged. Franklin (2014: p. 369) suggests the following training on people management for managers to enhance their skills to involve and engage employees in the change process:

1) *Coaching and mentoring skills*: to enable proper support and encouragement to employees who are struggling to accept the change.
2) *Stakeholder analysis*: to facilitate identifying and assessing the needs of those affected by the change.
3) *Emotional intelligence*: to foster self-awareness, self-management and self-control,

and empathy towards others. These qualities could enhance influence and persuasion of others.

4) *Psychology training*: to enable understanding and appreciation of the emotional journey in a change. Psychology training also includes ways and approaches to help employees overcome resistance and embrace the change.

Moreover, team-building training can be arranged to build up a more cohesive and collaborative relationship with enhanced communication between managers and employees.

Training for managers, in addition to equipping them with the required skills and knowledge, is an important HR strategy to empower these managers to implement the change (Sikora and Ferris, 2014).

*b) For Employees*

Suitable, sufficient and timely training on the skills and knowledge required for the change should be arranged for employees so as to enhance their sense of self-efficacy and locus of control during the change, and to facilitate the implementation (Arindam and Bhattacharya, 2009; Manning, 2012; Woo, 2007). Increasing employees' sense of self-efficacy, according to Parish et al. (2008), enhances their commitment to the change.

It is noted that training for employees is taken care by the managers. Enhanced training for managers will contribute to the training for employees.

*c) Partnering with universities to arrange related training*

Woo (2007) has suggested partnering with universities to arrange related training during change implementation in China. The two factories can make use of the

training materials already available from universities in China. This saves the time and cost of developing the materials within the factory or through external consultants.

To sum up, according to Momoh et al. (2010), the cost of training is often underestimated in a change programme and training is often taken for granted during the implementation process. Given the importance of training, it is essential that, as supported by Woo (2007) and findings from this research study, training be given priority during the change implementation.

### 5.2.4. Change Participation

According to Manning (2012), change participation means involving affected employees during the formulation of change strategies, and in the process of implementation. There should be measures to make employees feel ownership of as well as responsibility for the change.

The findings of this research study shows there might have been insufficient participation by employees in the process. It is noted that participation by employees could be enhanced by improvement in some measures taken by both factories in the change process. Here are suggestions to improve theses measures. All these suggestions are derived from findings in this research study.

*a) Development of change vision and strategies*

There was a project team led by a senior officer to oversee the implementation of the PM system in both factories. This project team developed the change vision and strategy with input and suggestions from the GM. It is suggested that the project team could have invited input from employees. Discussion groups on the change

vision and strategies among employees could be formed under the leadership of supervisors or team/section heads. Summaries of the ideas from these discussion groups then could be forwarded to the implementation team. These discussion groups not only promoted a sense of ownership of the change among employees, but also communicated and spread the change messages among employees.

*b) Change agents*

Findings from Hypothesis 1 show "employees' commitment to change" was positive in the two factories at the beginning of the intervention to set up the PM system. The two factories could have identified and utilised representatives and change agents among the employees to help to facilitate the implementation process (Kotter, 1996). These employee representatives and change agents could help to spread the messages, and created more trust and understanding from employees. Moreover, with ownership of the change, these employee representatives and change agents would be more likely to support the change and tried to promote and elicit support for the change among the employees. These employee representatives and change agents could help to address the issue of 'inertia in people's thinking' (Alas and Sun, 2007, p. 232) which many organisational change initiatives may encounter at the start.

*c) Involvement of employees in project/implementation team*

Representatives and change agents from among the employees could be included in the project/implementation team. This showed respect for employees from the management, and helped to accentuate the change in the minds of employees. With representatives and change agents from the employees as members, the project/implementation team could obtain direct and first-hand information about the change implementation among employees, and could respond quickly to such information.

*d) Other approaches*

There were written slogans, posters, notices and quotations posted all around in the plastics factory. Employees could be invited to design these slogans, posters, notices and other publicity materials on the change, to be posted in the factory. In the plastics factory, there was sharing by the GM with managers (section/team heads) on the personal tips and insights of the GM in conducting performance management. Sharing sessions could be arranged as well among employees for them to share experiences, personal tips and insights to cope with the change, and the benefits from the change. Moreover, the launching ceremony (attended by all staff) of the plastics factory not only involved employees, but also communicated the importance of the change to them. Representatives and change agents from the employees could be introduced to all staff at the launching ceremony.

In sum, in addition to the above, it is important that managers are equipped with skills in people management so that they can involve and engage employees in daily encounters so as to make employees have a sense of ownership of the change.

### 5.2.5. Employees' Emotions and Feelings

A change might induce uncertainty and insecurity among employees. Also, new performance standards may be involved (Lin and Rohm, 2009). The findings of this research study show feelings and emotions of employees in the implementation process might have been overlooked by the managers (section/team heads) in both factories. It is also noted that in the machinery factory, the managers might have focused on task accomplishments at the expense of the intrinsic values, feelings and emotions of employees.

There are good suggestions from the literature on ways to handle employees' emotions and feelings during a change process. The following are suggestions adopted from Manning (2012, p. 265–266):

i) *Developing and maintaining relationships*

Giving support and encouragement to employees, involving and consulting them in decision making, showing consideration and empathy, and recognising achievements.

ii) *Handling employees' feelings*

- Acknowledging the feelings, frustrations and uncertainty employees may have during the change, and reflecting to employees that such feelings, frustrations and uncertainty and the reasons behind them are understood.
- Assuring employees that senior management are aware of such feelings, frustrations and uncertainty and the reasons behind them.
- Reporting to senior management about such feelings of employees and working out ways to address them.

iii) *Using open, honest and constructive two-way communication*

- Letting people know clearly what is going on in the change, the impact of the change on them, and the expectations of them during the change.
- Listening to people's ideas, concerns and feelings; using simple and honest language.
- No lies and management-speak.

In sum, in addition to the above, it is believed that the above suggestions under *A) management support, B) communication, C) training and D) change participation* all contribute to enhancing employees' feelings and emotions during the process. It is important to handle the emotions and feelings of employees well so as to minimise

resistance, gain their buy-in to the change process, and contribute to what Parish et al. (2008) have described as 'investment in internal relationship management' (p. 45) to enhance commitment to the change among employees.

According to de Waal and Counet (2006), 56 per cent of PM initiatives fail during the implementation stage. Good and effective change management is needed to implement the PM system. The suggestions above under *A) management support, B) communication, C) training, D) change participation and E) employees' emotions and feelings* not only address the issues of insufficient effort and input by managers during the implementation process, but also contribute to building commitment, fostering valence and affective feelings, enhancing positive emotions and sense of self-efficacy, and reducing resistance to the change process. All these contribute to effective change management and implementation during the process.

### 5.3. Adoption of a Blended Change Model

A change model with logical and structured steps provides a framework and a checklist to monitor and judge actions required during the change and to benchmark progress (Farkas, 2013; Sidorko, 2008). According to Cheng et al. (2007), monitoring is crucial to ensure the sustained effectiveness and success of the implementation. The adoption of a change model such as Kotter's 8-step model can facilitate monitoring of the implementation.

While this research study shows that adoption of a change model is not guaranteed to lead to success of change, there were studies in the literature in which Kotter's 8-step model was applied in transitional organisational change with positive results (Betters-Reed et al., 2008; Bradbury, 2014; Carter, 2014; Palmer, 2006; Yamakawa et al., 2012). Given the comprehensiveness and concrete actions in a logical sequence provided for each step (Pfeifer et al., 2005; Sidorko, 2008) of the implementation, it is clear that Kotter's 8-step

model can be applied to monitor and judge actions required, and to benchmark progress for the sustained effectiveness and success of the implementation.

Derived from findings in this research study, it is suggested that, in future implementation of a PM system in China's SME factories, Kotter's 8-step model should be adopted together with the above suggestions under the five areas of *A) management support, B) communication, C) training, D) change participation and E) employees' emotions and feelings*. This blended approach takes the practical usefulness and benefits of Kotter's 8-step model, and at the same time provides more detailed and concrete actions in the five areas listed here.

## 5.4. Support from Human Resource Department/Division in Implementation of Change

Change management involves human resources management. In the two factories, the HR/personnel section, owing to the small size (1-2 staff members) and main engagement in staff payrolls and compliance with the labour law in China, was not involved much in the implementation of change to set up the PM system. From the literature, there are suggestions that professional support and advice can be sought from HR department/division of the company to help and remind the management about the actions, efforts and input required during the implementation process. Alas and Sun (2007, pp. 235–237) provide a practical summary of support by HR to facilitate implementation of the change as follows:

a) To remind the organisation management about the subtle areas of emotions and intrinsic values, and their implicit roles and importance in the change management. HR can arrange and organise programmes, sharing meetings or training to enhance the mindset, receptiveness and skills of managers as well as supervisors in

communicating the change, in engaging and giving support to employees, and in handling the emotions and intrinsic values of employees during the process.

b) To help the management to collect information about the emotions, feelings, perceptions and needs of employees in the process. Employees may be more willing to reveal their views and feelings about the change to HR rather than the management. HR can conduct meetings, gatherings, group discussions, or anonymous questionnaires to collect input from employees, and at the same time to spread the message of care and support to employees by the management.

c) To devise an incentive scheme to facilitate the change. This can be done through encouragement by compensation, for example, employees who perform well in the behaviour promulgated under the change will be rewarded. Also, employees who have innovative and creative ideas to facilitate the change will receive praise and some monetary rewards. Employee gatherings can be held from time to time to report on and appreciate the progress and achievements of the change. Such incentive schemes will help to promote and cultivate the organisation's culture and employee commitment to the change.

In addition to the above three items, HR can promote and build up management development in the factory to equip managers with the attributes and skills to lead and manage the change, and to lead employees to cope with the challenges and difficulties the factory is facing. This aids the long-term development of the factory.

## 5.5. Conclusion

Brisson-Banks (2010) suggests that when facing economic and market challenges, organisations should analyse the situation, formulate plans of action, implement changes, and gain support and commitment from all managers and employees in the process.

Positive data obtained on the commitment to change among employees at the start of the change implementation in the two factories in this research study reflected that awareness of the need for change had been created. However, there might be insufficient effort by the managers during the implementation stage in the two factories. After all, there were improvements in employee performance, labour productivity/wastage rate, employee turnover and absenteeism. These improvements reflected the benefits of implementing a PM system in the two factories.

In the practical methods of implementing a PM system suggested and described in this chapter, there are suggestions to address insufficient effort by the managers during the implementation stage. These practical methods also provide insights, references and guidelines for managers and industry players in implementing a PM system in SME factories in China. When expanding the implementation of the PM system factory-wide[31] to all employees, the management of the two factories in this research study can refer to the suggestions provided in this chapter to facilitate the effectiveness and success of the implementation.

Review in literature shows '(HRM) studies on Chinese SMEs are scarce' (Newman and Sheikh, 2014: p.414). A literature search (conducted in April 2016) through Emerald and EBSCO showed it was difficult to find studies on organisational change management or implementation of a PM system in SME factories in China. Findings and the practical methods of implementing a PM system suggested in this research study can serve as essential empirical evidence and references for SMEs in China, particularly the SME factories, to implement a PM system.

[31] Basing on the short-term benefits generated in the two factories, e.g. improvement in evaluation of employee performance by direct supervisors, and in the labour productivity/production wastage rate, management of the two factories pointed out they would expand the PM system factory-wide.

## 5.6. Limitations and Implications for Future Research

### i) Number of Respondents from the Machinery Factory

There was a low number of respondents from the machinery factory to the job satisfaction survey in the pre-intervention stage, and in the measure of "fit of organisational change with VMV of organisation" with "employees' commitment to change". It would have been preferable to have more respondents in both surveys so that the data collected would be more representative. For this research study, the machinery factory was in the category of a small factory, while the plastics factory was a medium-sized factory. This enabled representation of two different size categories of SME factories. For further studies on this research topic, if a small factory is selected, it is recommended that more respondents should be encouraged to complete the quantitative questionnaires.

### ii) More Factories for Studies

For the two factories in this research study, one small factory with a sample size of 40, and one medium-sized factory with a sample size of 172. Bamford and Daniel (2005) and Gable (2010) assert that studies on a particular organisation provide opportunities to gain a rich understanding of the organisation being investigated; however the conclusions may be specific to this organisation and the generalisability of the findings may be limited. From discussion in Chapter Three, it is considered that two cases are sufficient for this research study. In spite of that, as suggested by Rowley (2002) and Yin (2014), more studies and more cases conducted in this topic will provide stronger conclusions and rigour about the hypotheses and theories to be established and validated. It is thus recommended that more SME factories and a wider range of industries in China should be investigated in future studies on this research topic to validate further the suggested method of implementing a PM system in SME factories

in China. Moreover, as many conceptual underpinnings of this study come from research in the West, and human behaviour and cultural contexts can differ from one country to another (Humborstad and Perry, 2011), more research conducted in SME factories in China would further confirm the transferability of the ideas and the implementation method suggested in this research study. Also, more future studies on this research topic could contribute further empirical and practical references to the literature on HR and PM issues and organisational change management in SME factories in China, which is one of the purposes of this research study.

**iii) Profiles of Respondents**

Chapter Three described the profiles of the respondents. Studies by Newman and Sheikh (2014), and Zheng et al. (2006 and 2009) have shown that there is a general lack of trust of outsiders from respondents in surveys in China. Respondents may be reluctant to return the questionnaires if such lack of trust emerges. The employees (frontline supervisors and frontline workers) in the plastics factory were mainly in their 20s, while some were in their 30s and had worked in the factory for some years. The management of the plastics factory advised me not to include the question on 'age' in the questionnaire, lest those in their 30s might think their identity would be revealed and not respond. For the machinery factory, as most employees were in their 20s, the question on 'age' was skipped. This also made the questionnaire consistent with the plastics factory.

On educational level, almost all employees in the plastics factory were at the level of lower secondary, and most in the machinery factory were at the level of higher secondary. In view of the largely homogenous educational level of employees, the question on 'educational level' was not included in the questionnaire. The question on

'gender' was also not included because information on gender is not a must in the survey. The omission of questions on 'educational level' and 'gender' could contribute to reducing employees' thinking about any hidden agenda behind the surveys, so that employees would be less hesitant and more willing to respond. This was a trade-off arrangement to encourage more respondents.

Most of the managers (section heads/team heads) were males in both factories. The question on 'gender' was not included lest the female managers might think their identity would be revealed and not respond. Most of these managers were in their 30s and a few in their early 40s in both factories. The question on 'age' needed to be skipped lest those at their early 40s might think their identity would be revealed and not respond. As almost all these managers were at the educational level of post-secondary, the question on 'education' was skipped. Also, it was bizarre to include only one question on education to collect information about respondents' profiles in a questionnaire. Respondents might guess why this one question was included, and hesitate to respond.

For further studies on this research topic, it is recommended that, if the situations warrant, questions on the age, gender and educational level of respondents be included so that more analyses can be conducted from the resultant data.

**iv) Interviews Arranged with Managers and Employees**

It is argued that in future studies interviews should be arranged under H2 to collect more detailed views from the managers and employees about the adoption of Kotter's 8-step model and the deviations from Kotter's suggestions. This will add more value to this research study and give more insights to industry players who wish to implement a

PM system in factories in the Pearl River Delta of China.

In fact, there were difficulties in conducting interviews with the managers and employees. Even when it was emphasised that the names and identities of the interviewees would be made anonymous, there was reluctance from these managers and employees. According to information from management of the two factories, these managers and employees had the following concerns:

i) Unlike questionnaires, attending interviews meant their names and identities would be known and revealed. They felt quite uncomfortable with this.

ii) The statements they made during the interviews might affect their personal reputation and career prospects. If their views were critical, this might upset the factory management; if their views were general, this might indicate mediocrity.

iii) Some considered the interviewees were representatives of other managers/employees, were big brothers/sisters, and in a higher position than others. Such 'big brother/sister' thinking made them believe interviewees had to say something brilliant, great and high quality in the interviews. This made them feel under pressure and not willing to be interviewees.

With such reluctance from these managers and employees, the management of both factories suggested interviews not be arranged.

Indeed, the literature has shown the difficulties in conducting qualitative interviews in China. According to Eckhardt and Bengtsson (2010) and Stening and Zhang (2007), participatory research using staff in China is rare. From their study, Stening and Zhang (2007) point out that there is a low willingness of interviewees to express opinions in interviews in China. In Yang and Le's (2008) study on the difficulties and issues

confronting researchers conducting research in China, they mention that 'During the data collecting, a number of participants are reluctant to tell the truth whether they are happy or unsatisfied … They just smile or just avoid answering the question directly … They are afraid of getting into trouble' (p. 119).

The collectivist nature of Chinese culture (Hofstede and Hofstede, 2005, p. 89) might make interviewees tend to be silent, avoid answering the questions and avoid telling the truth. Moreover, trust may be another factor. Interviewees may be reluctant to reveal their views to a stranger (the interviewer). Saunders et al. (2007) and Zhou and Baptista Nunes (2013) have suggested gaining trust and collaboration from interviewees to enhance valid and reliable data to be collected in research in China. Zhou and Baptista Nunes (2013) point out the need to obtain support and influence from senior management to enhance interviewees' willingness to express their views in interviews.

In this research study, the views of managers and of employees on the implementation success of the PM system through adoption of Kotter's 8-step model were collected through 2 structured questionnaires. For future studies, if the situation warrants and with willingness from staff and support from the factory management, it is recommended that qualitative interviews be conducted with staff to obtain more details about the adoption of Kotter's 8-step model and the deviation, if any, from Kotter's suggestions.

While there are limitations, the findings in this research study and suggestions in Chapter Five of this dissertation provide a useful base for further studies on this research topic.

REFERENCES

Abdallah, A. (2014), 'Implementing quality initiatives in healthcare organisations: drivers and challenges', *International Journal of Health Care Quality Assurance*, Vol. 27 Iss 3, pp. 166-181.

Abdullah, A., Bilau, A.A., Enegbuma. W.I., Ajagbe, A.M. and Ali, K.N. (2011), 'Evaluation of Job Satisfaction and Performance of Employees in Small and Medium Sized Construction Firms in Nigeria', *2nd International Conference on Construction and Project Management, IPEDR*, 15, 225-229.

Abrahams, J. (1995), *The mission statement book: 301 corporate mission statements from America's top companies*, Berkeley, CA: Ten Speed Press.

Abrell-Vogel, C. and Rowold, J. (2014), "Leaders' commitment to change and their effectiveness in change – a multilevel investigation", *Journal of Organizational Change Management*, Vol. 27 Iss 6, pp. 900 - 921.

Abstein, A. and Spieth P. (2014), "Exploring HRM Meta-Features that Foster Employees' Innovative Work Behaviour in Times of Increasing Work-Life Conflict", *Innovative Work Behaviour And Work-Life Conflict,* Vol. 23 No. 2, pp. 211-225.

Ackerman, L.S. (1986), 'Development, Transition or Transformation: The Question of Change in Organizations', *Organizational Development Practitioner*, December 1986, pp. 1-8.

Adhikari, D.R. (2010), 'Human resource development (HRD) for performance management: The case of Nepalese organizations', *International Journal of Productivity and Performance Management*, Vol. 59 Iss 4, pp. 306-324.

Adil, M.S. (2016), 'Impact of change readiness on commitment to technological change, focal, and discretionary behaviors', *Journal of Organizational Change Management*, Vol. 29 Iss 2, pp. 222-241.

Adithipyangkul, P., Alon, I. and Zhang, T. (2009), 'Executive perks: compensation and corporate performance in China', *Asia Pacific Journal of Management*, Vol. 28 No. 2, pp. 401-25.

Aggarwal, U. and Bhargava, S. (2009), 'Reviewing the relationship between human resource practices and psychological contract and their impact on employee attitude and behaviours', *Journal of European Industrial Training*, Vol. 33 Iss 1, pp. 4-31.

Aguinis H. (2009), *Performance management (2nd ed.)*, Upper Saddle River, NJ: Pearson Prentice Hall.

Aguinis, H., Gottfredson, R.K. and Joo, H. (2012), 'Using performance management to win the talent war', *Business Horizons*, Vol. 55 No. 6, pp. 609-616.

Aguinis, H. and Pierce, C.A. (2008), 'Enhancing the relevance of organizational behavior by embracing performance management research', *Journal of Organizational Behavior*, 29(1), 139-145.

Ahlstrom, P. and Karlsson, C. (2009), 'Longitudinal field studies', in Karlsson, C. (Eds.), *Researching Operations Management*, Routledge, New York, NY, pp. 196-235.

Ahmad, S. and Schroeder, R. (2003), 'The impact of human resource management practices on operational performance: recognizing country and industry differences', *Journal of Operations Management*, Vol. 21 No.1, pp. 19-43.

Aiken, C. and Keller, S. (2009), 'The irrational side of change management', *McKinsey Quarterly*, No. 2, pp. 100-9, available at: http://web.ebscohost.com.

Ait-Razouk, A. (2011), 'High-performance work systems and performance of French small and medium-sized enterprises: examining causal order', *International Journal of Human Resource Management*, Vol. 22 No. 2, pp. 311-330.

Alas, R. and Sun, W. (2007), 'Organizational changes in Chinese companies: a resource-based view', *Chinese Management Studies*, Vol. 1 No. 4, pp. 225-242.

Alas, R., Sun, W. and Gao, J. (2012), 'The implementation of organizational changes during the transition in China and Estonia', *Baltic Journal of Management*, Vol. 7 Iss 1, pp. 86-102.

Alas, R., Vadi, M. and Sun, W. (2009), 'Impact of work-related values upon attitudes toward changes and organizational learning in Chinese organizations', *Chinese Management Studies*, Vol. 3 Iss 2, pp.117-129.

Al-Balushi, S., Sohal, A.S., Singh, P.J., Al Hajri, J., Al Farsi, Y.M. and Al Abri, R. (2014), 'Readiness factors for lean implementation in healthcare settings – a literature review', *Journal of Health Organization and Management*, Vol. 28 Iss 2, pp. 135 - 153.

Albuquerque, L.G. (1992), 'Competitiveness and human resources', *Revista de Administracao*, Vol. 27 No. 4, pp. 16-29.

Allen, D.G., Shore, L.M. and Griffeth, R.W. (2003), 'The role of perceived organizational support and supportive human resource practices in the turnover process', *Journal of Management*, 29(1), 99-118.

Alleyne, P., Doherty, L. and Greenidge, D. (2006), 'Approaches to HRM in the Barbados Hotel Industry', *International Journal of Contemporary Hospitality Management*, Vol. 18 No. 2, pp. 94-109.

Amah, O.E. (2009), 'Job Satisfaction and Turnover Intention Relationship: The Moderating Effect of Job Role Centrality and Life Satisfaction', *Research and Practice in Human Resource Management,* 17(1), 24-35.

Analoui, F. and Karami, A. (2002), 'CEOs and development of the meaningful mission statement', *Corporate Governance*, Vol. 2 No. 3, pp. 13-20.

Antoncic, J.A. and Antoncic, B. (2011), 'Employee satisfaction, intrapreneurship and firm growth: a model', *Industrial Management & Data Systems*, Vol. 111 No. 4, pp. 589-607.

Appelbaum, S.H., Habashy, S., Malo, J.L. and Shafiq, H. (2012), 'Back to the future: revisiting Kotter's 1996 change model', *Journal of Management Development*, Vol. 31 Iss 8, pp. 764 - 782.

Arindam, S. and Bhattacharya, R. (2009), 'Analysis of fitment of ERP and conceptualization of its substitute in small segment – a strategic approach', *Business Strategy Series*, Vol. 10 No. 1, pp. 28-39.

Armenakis, A. (1993), 'Creating readiness for organizational change', *Human Relations*, Vol. 46 No. 6, pp. 681-703.

Armenakis, A. and Harris, S.G. (2009), 'Reflections: our journey in organizational change research and practice', *Journal of Change Management*, Vol. 9 No. 2, pp. 127-142.

Armstrong, M. (2009), *A Handbook of Human Resource Management Practice (9th ed.)*, London: Kogan Page.

Arthur, J. (1994), 'Effects of human resource systems on manufacturing performance and turnover', *Academy of Management Journal,* 37(3): 670-687.

Ayobami Akanbi, P. and Adeniran Itiola, K. (2013), 'Exploring the Relationship between Job Satisfaction and Organizational Commitment among Health Workers in Ekiti State, Nigeria', *Journal of Business and Management Sciences*, Vol. 1 No. 2, pp. 18-22.

Azouzi, R., Beauregard R. and D'Amours, S. (2009), 'Exploratory case studies on manufacturing agility in the furniture industry', *Management Research News*, Vol. 32 Iss 5, pp. 424-439.

Bae, J. and Lawler, J. J. (2000), 'Organizational and HRM strategies in Korea: Impact on firm performance in an emerging economy', *Academy of Management Journal,* 43(3): 502-517.

Bai, X., and Bennington, L. (2005), 'Performance appraisal in the Chinese state-owned coal industry', *International Journal of Business Performance Management*, 7(3), 275-287.

Bamford, D. and Daniel, S. (2005), 'A Case Study of Change Management Effectiveness within the NHS', *Journal of Change Management*, Vol. 5 No. 4, pp.391-406.

Barratt-Pugh, L., Bahn, S. and Gakere, E, (2013), 'Managers as change agents', *Journal of Organizational Change Management*, Vol. 26 Iss 4, pp. 748-764.

Bart, C.K. (2004), 'Innovation, mission statements and learning', *International Journal of Innovation and Learning*, Vol. 27 Nos. 6/7, pp. 544-561.

Bart, C.K., Bontis, N., Taggar, S. (2001), 'A model of the impact of the mission statements on the firm performance', *Management Decision*, Vol. 39 No.1, pp.19-35.

Bartel, A.P. (2004), 'Human resource management and organizational performance: Evidence from retail banking', *Industrial and Labor Relations Review,* 57(2): 181-203.

Bartkus, B.R., Glassman, M. and McAfee, R.B. (2004), 'A comparison of the quality of European, Japanese and US mission statements: a content analysis', *European Management Journal*, Vol. 22 No. 4, pp. 393-401.

Baruch, Y., Wheeler, K. and Zhao, X. (2004), 'Performance-related pay in Chinese professional sports', *The International Journal of Human Resource Management*, 15:1, 245-259.

Batt, R. (2002), 'Managing customer services: Human resource practices, quit rates, and sales growth', *Academy of Management Journal,* 45(3): 587-597.

Baum, J.R., Locke, E.A. and Kirkpatrick, S.A. (1998), 'A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial firms', *Journal of Applied Psychology*, Vol. 83 No. 1, pp. 43-54.

Becker, B.E. and Huselid, M.A. (1998), 'High performance work systems and firm performance: a synthesis of research and managerial implications', in Ferris, G.R. (Eds.), *Research in Personnel and Human Resource Management*, Stamford, CT: JAI Press, Vol. 16, pp. 53-101.

Behn, R.D. (2002), 'The psychological barriers to performance management: Or why isn't everyone jumping on the performance-management bandwagon?', *Public Performance and Management Review*, Vol. 26 No. 1, pp. 5-25.

Bensabat, I., Goldstein, D. K., and Mead, M. (1987), 'The case research strategy in studies of information systems', *MIS Quarterly, 11*(3), 367-386.

Bernerth, J. (2004), 'Expanding our understanding of the change message', *Human Resource Development Review*, Vol. 3 No.1, pp.36-52.

Betters-Reed, B.L., Nitkin, M.R., Sampson, S.D. (2008), 'An assurance of learning success model: toward closing the feedback loop', *Organization Management Journal*, 5(4), 224-240.

Birdi, K., Clegg, C., Patterson, M., Robinson, A., Stride, C.B., Wall, T.D. and Wood, S.J. (2008), 'The Impact of Human Resource and Operational Management Practices on Company Productivity: A Longitudinal Study', *Personnel Psychology*, 61(3), pp. 467-501.

Bjorkman, I., and Fan, X. (2002), 'Human resource management and the performance of western firms in China', *International Journal of Human Resource Management*, 13(6), 853-864.

Bjorkman, I., and Lu, Y. (1999), 'The management of human resources in Chinese-Western joint ventures', *Journal of World Business*, 34(3), 306-324.

Bonavia, T. and Marin-Garcia, J.A. (2011), 'Integrating human resource management into lean production and their impact on organizational performance', *International Journal of Manpower*, Vol. 32 No. 8, pp. 923-938.

Borda, R.G. and Norman, I.J. (1997), 'Factors influencing turnover and absence of nurses: a research review', *International Journal of Nursing Studies*, Vol. 34 No. 6, pp. 385-94.

Boselie, P., and Dietz, G. (2003), 'Commonalities and contradictions in research on human resource management and performance', Paper presented at the annual meeting of the Academy of Management, Seattle, USA.

Boselie, P., Dietz, G. and Boon, C. (2005), 'Commonalities and contradictions in HRM and performance research', *Human Resource Management Journal*, Vol. 15 No. 3, pp. 67-94.

Bossidy, L. and Charan, R. (2002), *Execution: the Discipline of Getting Things Done*, Crown Business Books, New York, NY.

Bouckenooghe, D., Schwarz, G.M. and Minbashian, A. (2014), "Herscovitch and Meyer's three-component model of commitment to change: meta-analytic findings", *European Journal of Work and Organizational Psychology*, Vol. 24 No. 4, pp. 578-595.

Bowen, D. E. and Ostroff, C. (2004), 'Understanding HRM-Firm Performance Linkages: The Role of the "Strength" of the HRM System', *Academy of Management Review*, 29(2): 203-221.

Bozionelos, N. and Wang, L. (2007), 'An investigation on the attitudes of Chinese workers towards individually based performance-related reward systems', *The International Journal of Human Resource Management*, 18(2), 284-302.

Bradbury, E. (2014), 'Integrated care communities: putting change theory into practice', *Journal of Integrated Care*, Vol. 22 Iss 4, pp. 132-141.

Bridges, W. (2003), *Managing Transitions (2nd Ed.)*, Cambridge, MA, Perseus Books.

Brislin, R. (1980), 'Translation and content analysis of oral and written material', in Triandis, H.C. and Berry, J.W. (Eds.), *Handbook of Cross-Cultural Psychology*, Boston: Allyn and Bacon, Vol. 2, pp. 389-444.

Brisson-Banks C.V. (2010), 'Managing change and transitions: a comparison of different models and their commonalities', *Library Management*, Vol. 31 Iss 4/5, pp. 241-252.

Brooke, P.B. and Price, J.L. (1989), 'The determinants of employee absenteeism: An empirical test of a causal model', *Journal of Occupational Psychology*, 62 (1), 1-19.

Browning, V. (2006), 'The relationship between HRM practices and service behaviour in South African service organizations', *Journal of Human Resource Management,* 17:7, 1321-1338.

Brunton, M. and Matheny, J. (2009), 'Divergent acceptance of change in a public health organization', *Journal of Organizational Change Management*, Vol. 22 No. 6, pp. 600-619.

Bryman, A. (2001), *Social Research Methods*, Oxford University Press, Bath.

Buick, F., Blackman D.A., O'Donnell, M.E., O'Flynn, J.L. and West, D. (2015), 'Can enhanced performance management support public sector change?', *Journal of Organizational Change Management*, Vol. 28 Iss 2 pp. 271-289.

Buitendach, J.H. and De Witte, H. (2005), 'Job insecurity, extrinsic and intrinsic job satisfaction and affective organizational commitment of maintenance workers in a parastatal', *South African Journal of Business Management*, Vol. 36 No. 2, pp. 27-37.

Butler, M.J. and Allen, P.M. (2008), 'Understanding policy implementation processes as self-organizing systems', *Public Management Review*, Vol. 10 No. 3, pp. 421-440.

Burke, W.W. and Litwin, G.H. (1992), 'A causal model of organizational performance and change', *Journal of Management*, Vol. 18 No. 3, pp. 523-545.

Burnes, B. (2009), *Managing Change*, Prentice-Hall, London.

Burney, L. and Swanson, N. (2010), "The relationship between balanced scorecard characteristics and managers' job satisfaction", *Journal of Managerial Issues*, Vol. 22 No. 2, pp. 166-81.

Busin, M. (2012), *The Performance Management Handbook for Emerging Markets：A practical and informative handbook for managing performance for the world of work in Emerging Markets*, Knowres Publishing, Ranburg, South Africa.

Cai, M., Du, H.F., Zhao, C. and Du, W. (2014), "Relationship between employees' performance and social network structure", *Chinese Management Studies*, Vol. 8 Iss 1, pp. 85-108.

Caldwell, R. (1993), 'Employee involvement and communication', *Journal of Strategic Change*, Vol. 2 No. 3, pp. 135-138.

Caldwell, S.D., Herold, D.M., and Fedor, D.B. (2004), 'Towards an understanding of the relationships between organizational change, individual differences, and changes in person-environment fit: A cross-level study', *Journal of Applied Psychology,* 89(5), 868-882.

Campbell, A. and Yeung, S. (1991a), 'Creating a sense of mission', *Long Range Planning*, Vol. 24 No. 4, pp. 10-20.

Campbell, A. and Yeung, S. (1991b), 'Brief case-mission, vision, and strategic intent', *Long Range Planning*, Vol. 24 No. 4, pp. 145-147.

Campbell, J.P., McCloy, R.A., Oppler, S.H. and Sager, C.E. (1993), 'A theory of performance', in Schmitt, N. and Borman, W.C. (Eds.), *Personnel Selection in Organizations* (pp. 35-70), San Francisco: Jossey-Bass.

Campbell, J.W. (2015), 'Identification and Performance Management: An Assessment of Change-Oriented Behavior in Public Organizations', *Public Personnel Management*, Vol. 44(1), 46-69.

Cardoza, G., Fornes G., Li, P., Xu, N. and Xu, S. (2015), "China goes global: public policies' influence on small-and medium-sized enterprises' international expansion", *Asia Pacific Business Review*, 21:2, 188-210.

Carl, D., Gupta, V., and Javidan, M. (2004), 'Power distance', in House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W., and Gupta, V. (Eds.), *Culture, leadership, and organizations: The GLOBE study of 62 societies* (pp. 513-563), Thousand Oaks, CA: Sage.

Carlson D. S., Upton N. and Seaman S. (2006), 'The impact of human resource practices and compensation design on performance: an analysis of family-owned SMEs', *Journal of Small Business Management (USA)*, Vol 44 No 4, pp. 531-543.

Carter, Toni M., (2014), 'Assessment and change leadership in an academic library department: a case study', *Reference Services Review*, Vol. 42 Iss 1, pp. 148-164.

Cascio, W. F. (2006), 'Global performance management systems', in Bjorkman, I. and Stahl, G. (Eds.), *Handbook of research in international human resources management (pp. 176-196)*, London, UK: Edward Elgar Ltd.

Causon, J (2004), 'The internal brand: successful cultural change and employee empowerment', *Journal of Change Managemen*t, Vol. 4 No. 4, 297-307.

Cavana, R.Y., Delahaye, B.L. and Sekaran, U. (2001), *Applied Business Research: Qualitative and Quantitative Methods*, Wiley: Australia.

Central News Agency of Taiwan (2011), 'Continuous Closing Down of Enterprises in Pearl River Delta' (in Chinese text), 24-10-2011, *http://history.n.yam.com/cna/china/201110/20111024776845.html* (accessed on 30 November 2011).

Cespedes, F. (1991), *Organising and Implementing the Marketing Effort*, Reading, MA: Addison-Wesley.

Chand, M. and Katou, A. (2007), 'The impact of HRM practices on organizational performance in the Indian hotel industry', *Employee Relations*, Vol. 29 No. 6, pp. 576-94.

Chawla, A. and Kelloway, E. (2004), 'Predicting openness and commitment to change', *The Leadership & Organization Development Journal*, Vol. 25 No.6, pp.485-98.

Chebat, J., Bahin, B. and Kollias, P. (2002), 'What Makes Contact Employees Perform? Reactions to Employee Perceptions of Managerial Practices', *International Journal of Bank Marketing,* 20(7): 325-32.

Chen, C. and Huang, J. (2009), 'Strategic human resource practices and innovative performance: the mediating role of knowledge management capacity', *Journal of Business Research*, Vol. 62 No. 1, pp. 104-114.

Chen, J. and Eldridge, D. (2010), 'Are "standardized performance appraisal practices" really preferred? A case study in China', *Chinese Management Studies*, Vol. 4 No. 3, pp. 244-257.

Chen, J., Wang, L., Huang, M.Y. and Spencer-Rodgers, J. (2012), "Naive dialecticism and Chinese employees' commitment to change", *Journal of Managerial Psychology*, Vol. 27 Iss 1, pp. 48-70.

Chen, J.Q, Wang, L. and Tang, N.Y. (2016), ' HALF THE SKY: The Moderating Role of Cultural Collectivism in Job Turnover among Chinese Female Workers,' *Journal of Business Ethics,* Vol. 133 Iss 3, pp. 487-498.

Chen, S. and Liu, P. (2012), 'Effects of internal marketing, organizational commitment, job involvement and job satisfaction on work performance: A study of the elderly care institutions in Taiwan', *Marketing Review*, 9(3), 277-302.

Cheng, K.H.C. and Cascio, W. (2009), 'Performance-appraisal beliefs of Chinese employees in Hong Kong and the Pearl River Delta', *International Journal of Selection and Assessment*, Vol. 17 No. 3, pp. 329-30.

Cheng, M.I., Dainty A., and Moore D. (2007), 'Implementing a new performance management system within a project-based organization – A case study', *International Journal of Productivity and Performance Management*, Vol. 56 No. 1, pp. 60-75.

Cheung, L.L.W. (2008), "Let the 'other' speak for itself. Understanding Chinese employees from their own perspectives", *Critical Perspectives on International Business*, 4(2/3): 1742-2043.

Chiang, C.F., Back. K.J. and Canter, D.D. (2005), 'The impact of employee training on job satisfaction and intention to stay in the hotel industry', *Journal of Human Resources in Hospitality & Tourism*, Vol. 4 No. 2, pp. 99-118.

China News Agency (2014), 'Rising Production Costs in Pearl River Delta --- Some Hong Kong-owned Factories Moved to South East Asia' (30-6-2014) (in Chinese text), *http://big5.mofcom.gov.cn/gate/big5/hk.mofcom.gov.cn/article/jmxw/a/201406/20140600644501.shtml* (accessed on 30 June 2014).

China Review News (2012), 'Survey of Survival of OEM Factories in Pearl River Delta' (28-12-2012) (in Chinese Text), *http://www.chinareviewnews.com/doc/1023/8/0/4/102380442.html?coluid=10&kindid=253&docid=102380442&mdate=1228104905* (accessed on 30 December 2012).

China Times (2012), 'A Tide of Closing down of Factories in Pearl River Delta' (in Chinese Text) (8-8-2012), *http://news.chinatimes.com/mainland/11050503/122012080800219. html* (accessed on 30 August 2012).

Choi, I., Dalal, R., Kim-Prieto, C. and Park, H. (2003), 'Culture and Judgment of Causal Relevance', *Journal of Personality and Social Psychology*, 84(1), 46-59.

Chung, G.H., Du, J. and Choi, J.N. (2014), 'How do employees adapt to organizational change driven by cross-border M&As? A case in China', *Journal of World Business*, 49(1), 78-86.

Coelli, T.J., Rao, D.S.P., O'Donnell, C.J. and Battese, G.E. (2005), *An Introduction to Efficiency and Productivity Analysis (2nd ed.)*, Springer, New York, NY.

Cohen, A., (2011), 'Values and psychological contracts in their relationship to commitment in the workplace', *Career Development International*, Vol. 16 Iss 7, pp. 646-667.

Cohen, A. and Golan, R. (2007), 'Predicting absenteeism and turnover intentions by past absenteeism and work attitudes–An empirical examination of female employees in long term nursing care facilities', *Career Development International*, Vol. 12 No. 5, pp. 416-432.

Collins, C. and Smith, K. (2006), 'Knowledge exchange and combination: the role of human resource practices in the performance of high-technology firms', *Academy of Management Journal*, Vol. 49 No. 3, pp. 544-60.

Cooke, F.L. (2009), 'A decade of transformation of HRM in China: A review of literature and suggestions for future studies', *Asia Pacific Journal of Human Resources*, 47(1): 6-40.

Cooke, F.L. and Huang, K. (2011), 'Postacquisition Evolution of the Appraisal and Reward Systems: A Study of Chinese IT Firms Acquired by US Firms', *Human Resource Management*, Vol.50 No.6, pp. 839-858.

Costigan, R.D., Liter, S.S., Insinga, R.C., Kranas, G., Berman, J.J. and Kureshov, V.A. (2005), 'An Examination of the Relationship of a Western Performance-Engagement Process to Key Workplace Behaviours in Transition Economies', *Canadian Journal of Administrative Sciences*, 22(3), 255-267.

Cotton, J. and Tuttle, J. (1986), 'Employee turnover: a meta-analysis and review with implication for research', *Academy of Management Review*, Vol. 11 No. 1, pp. 55-70.

Cronbach, L.J. (1951), 'Coefficient alpha and the internal structure of tests', *Psychometrika,* 16(3), 297-334.

Cummings, T.G. and Worley, C.G. (1997), *Organization Development and Change*, International Thomson Publishing, Cincinnati, OH.

Cummings, T.G. and Worley, C.G. (2005), *Organization Development and Change (8th ed.)*, South-Western, Madison, WI.

Cunningham, G. (2006), 'The relationships among commitment to change, coping with change, and turnover intentions', *European Journal of Work and Organizational Psychology*, Vol. 15 No. 1, pp. 29-45.

Cunningham, L.X. (2010), 'Managing human resources in SMEs in a transition economy: evidence from China', *International Journal of Human Resource Management*, Vol. 21 Iss 12, pp. 2120-2141.

Cunningham, L.X. and Rowley, C. (2007), 'Human resource management in Chinese small and medium enterprises: A review and research agenda', *Personnel Review*, Vol. 36 No. 3, pp. 415-439.

Cunningham, L.X., and Rowley, C. (2008), 'The Development of Chinese Small and Medium Enterprises and Human Resource Management: A Review', *Asia Pacific Journal of Human Resource*, 46(3), 353-379.

Cunningham, L.X. and Rowley, C. (2010), 'Small and medium-sized enterprises in China: a literature review, human resource management and suggestions for further research', *Asia Pacific Business Review*, Vol. 16 Iss 3, pp. 319-337.

Curry, B., Lowery, L.M. and Loftus, D. (2010), 'What a community will bear: leadership and the change process', *International Journal of Educational Management*, Vol. 24 Iss 5, pp. 404-417.

Cusick, A. (2005), 'Organizational development facilitates effective regulation compliance', *Leadership & Organization Development Journal*, Vol. 26 Iss 2, pp. 106-119.

Damiani, M. and Ricci, A. (2015), 'Performance-Related Pay, Unions, and Productivity in Italy: Evidence from Quantile Regressions', in DeVaro, J. (Eds.), *Advances in the Economic Analysis of Participatory and Labor-Managed Firms (Advances in the Economic Analysis of Participatory and Labor-Managed Firms, Volume 12)* Emerald Group Publishing Limited, pp.169-196.

Darbi, W.P.K. (2012), 'How do high-performing organizations define their mission in Ghana?', *African Journal of Economic and Management Studies*, Vol. 3 Iss 2, pp. 184-204.

Darke, P., Shanks, G. and Broadbent, M. (1998), 'Successfully completing case study research: combining rigour, relevance and pragmatism', *Information Systems Journal*, Vol. 8 No. 4, pp. 273-89.

Datta, D.K., Guthrie, J.P., and Wright, P.M. (2005), 'Human Resource Management and Labor Productivity: Does Industry Matter?', *Academy of Management Journal*, Vol. 48 No. 1, 135-145.

Datta, P.P. and Roy, R. (2011), 'Operations strategy for the effective delivery of integrated industrial product-service offerings', *International Journal of Operations & Production Management*, Vol. 31 Iss 5, pp. 579-603.

Davidson, M.C.G., Timo, N. and Wang, Y. (2010), 'How much does labour turnover cost? A case study of Australian four- and five-star hotels', *International Journal of Contemporary Hospitality Management*, Vol. 22 No. 4, pp. 451-466.

Davis, D. (2005), *Business Research for Decision Making (6th ed.)*, Thomson South Western. USA.

Dawes, J. (2007), 'Do data characteristics change according to the number of scale points used? An experiment using 5-point, 7-point and 10-point scales', *International Journal of Market Research*, Vol. 50 Iss 1, pp. 61-77.

De Menezes, L.M., Gelade, G. and Wood, S. (2008), 'A longitudinal study of the latent class clusters of modern management practices and their association with organizational performance in British manufacturing', Working paper to be presented at ECOMOD 2008, Berlin, July, 2008, *http://ecomod.net/sites/default/files/document-conference/ecomod2008/690.pdf* (accessed on 8 September 2013).

De Vreede, G.J. (2014), 'Two Case Studies of Achieving Repeatable Team Performance through Collaboration Engineering', *MIS Quarterly Executive*, 13:2, pp. 115-129.

De Waal, A.A. and Counet, H. (2006), 'Lessons learned from the balanced scorecard', in Neely, A., Kennerley, M. and Walters, A. (Eds.), 'Performance Measurement and Management: Public and Private', *Cranfield School of Management*, Cranfield, pp. 211-18.

Decramer, A., Smolders, C., Vanderstraeten, A., Christiaens, J. and Desmidt, S. (2012), 'External pressures affecting the adoption of employee performance management in higher education institutions', *Personnel Review*, Vol. 41 No. 6, pp. 686-704.

Delaney, J.T. and Huselid, M.A. (1996), 'The impact of human resource management practices on perceptions of organizational performance', *Academy of Management Journal*, 39(4), 949-69.

Delery, J.E., and Shaw, J.D. (2001), 'The strategic management of people in work organizations: Review, synthesis and extension', in Rowland, K.M. and Ferris, G.R. (Eds.), *Research in personnel and human resource management*, Vol. 20, Oxford, UK: Elsevier Science, pp. 165-197.

Den Hartog, D.N., Boselie, P. and Paauwe, J. (2004), 'Performance Management: A model and research agenda', *Applied Psychology: an International Review*, 53(4): 556-569.

Derven, M.G. (1990), 'The paradox of performance appraisals', *Personnel Journal*, 69(2), pp. 107-111.

Dessler, G. and Tan, C.H. (2006), *Human Resource Management: An Asian Perspective*, Singapore: Prentice Hall, Pearson Education South Asia.

Dionne, G. and Dostie, B. (2007), 'New Evidence on the Determinants of Absenteeism Using Linked Employer-Employee Data', *Industrial and Labor Relations Review*, Vol. 61 No. 1, pp. 108-120.

Dongguan Bureau of Statistics (2012), 'Dongguan City Main Economic Index' (28-1-2013) (in Chinese text), *http://tjj.dg.gov.cn/website/web2/art_list.jsp* (accessed on 1 December 2015).

Doorewaard, H. and Benschop, Y. (2003), 'HRM and organizational change: An emotional endeavor', *Journal of Organizational Change Management*, 16(3), 272-286.

Dufour, L. and Frimousse, S. (2007), 'Divergences and similarities in the evolution of the human resources function in the western part of the Mediterranean sea', *Tinerilor Economist (The Young Economists Journal)*, Vol. 1 No. 8, pp. 64-74.

Dyer, L. and Reeves, T. (1995), 'Human resource strategies and firm performance: What do we know and where do we need to go?', *International Journal of Human Resource Management*, 6(3): 656-670.

Eckhardt, G.M. and Bengtsson, A. (2010), 'Naturalistic group interviewing in China', *Qualitative Market Research: An International Journal*, Vol. 13 No. 1, pp. 36-44.

Edwards, B. D. and Bell, S. T. (2008), 'Relationships between facets of job satisfaction and task and contextual performance', *Applied Psychology: An International Review*, 57(3), 441-465.

Eisenhardt, K. (1989), 'Building theories for case study research', *Academy of Management Review,* 14(4), 532-550.

Elias, S.M. (2009), "Employees' commitment in times of change: assessing the importance of attitudes toward organizational change", *Journal of Management*, Vol. 35 No. 1, pp. 37-55.

El-Farra, M.M. and Badawi, M.B. (2012), 'Employee attitudes toward organizational change in the Coastal Municipalities Water Utility in the Gaza Strip', *EuroMed Journal of Business*, Vol. 7 Iss 2, pp.161-184.

Erdogan, B. (2002), 'Antecedents and Consequences of Justice Perceptions in Performance Appraisals', *Human Resource Management Review*, 12( 4), 555-578.

Falkenburg, K. and Schyns, B. (2007), 'Work satisfaction, organizational commitment and withdrawal behaviours', *Management Research News*, Vol. 30 No. 10, pp. 708-723.

Farh, J., Cannella, A.A. and Bedeian, A.G. (1991), 'Peer Ratings: The impact of purpose on rating quality and user acceptance', *Group and Organization Studies*, 16(4), 367-386.

Farkas, M.G. (2013), 'Building and sustaining a culture of assessment: best practices for change leadership', *Reference Services Review*, Vol. 41 No. 1, pp. 13-31.

Fedor, D.B., Caldwell, S. and Herold, D.M. (2006), 'The effects of organizational changes on employee commitment: A multi-level investigation', *Personnel Psychology,* 59(1), 1-29.

Feng, T.Q. (2002), "China's WTO accession will influence its labour relations", *Theory and Practice of Trade Unions*, Vol. 16 No. 4, pp. 8-11.

Ferguson, K.L. and Reio, T.G. Jr (2010), 'Human resource management systems and firm performance', *Journal of Management Development*, Vol. 29 No. 5, pp. 471-94.

Festing, M. and Knappert, L. (2014), 'Country-Specific Profiles of Performance Management in China, Germany, and the United States – An Empirical Test', *Thunderbird International Business Review*, Vol. 56 No. 4, pp. 331-351.

Financial Times (2012), "China's factory output remains subdued" (12-9-2012), *http://www.ft.com/cms/s/0/b3256812-02da-11e2-9e53-00144feabdc0.html#axzz2EUDE8VX* (accessed on 30 September 2012).

Financial Times (2014), 'Manufacturing Industries Leaving Pearl River Delta?' (7-2-2014) (in Chinese text), *http://www.ftchinese.com/story/001054719?full=y* (accessed on 30 June 2014).

Finegan, J.E. (2000), 'The impact of person and organizational values on organizational commitment', *Journal of Occupational and Organizational Psychology*, Vol. 73 No. 2, pp. 149-69.

Finkelstein, S., Harvey, C. and Lawton, T. (2008), 'Vision by design: a reflexive approach to enterprise regeneration', *Journal of Business Strategy*, Vol. 29 No. 2, pp. 4-13.

Flyvbjerg, B. (2006), 'Five misunderstandings about case-study research', *Qualitative Inquiry*, Vol. 12 No. 2, pp. 219-245.

Forbes, D.J. and Seena, S. (2006), 'The value of a mission statement in an association of not-for-profit hospitals', *International Journal of Health Care Quality Assurance*, Vol. 19 No. 5, pp. 409-419.

Ford, J., Wessbein, D. and Plamandon, K. (2003), "Distinguishing organizational from strategy commitment: linking officers' commitment to community policing to job behaviors and satisfaction", *Justice Quarterly*, 20(1), pp. 159-183.

Ford, J.D., Ford, L.W. and D'Amelio, A. (2008), 'Resistance to change: the rest of the story', *Academy of Management Review*, Vol. 33 No. 2, pp. 362-377.

Ford, M.W. (2009), 'Size, Structure and Change Implementation: An Empirical Comparison of Small and Large Organizations', *Management Research News*, Vol. 32 No. 4, pp. 303-320.

Foster, R.D. and Akdere, M. (2007), 'Effective organizational vision: implications for human resource development', *Journal of European Industrial Training*, Vol. 31 No. 2, pp.100-11.

Fowles, R. and Edwards, M. (1999). 'Creating a shared vision: an exercise in inspiration and communication at British Airways Interiors Engineering', *Total Quality Management*, Vol. 10, Nos 4&5, pp. 548-553.

Fox, S. and Amichai-Hamburger, Y. (2001), 'The power of emotional appeals in promoting organizational change programs', *Academy of Management Executive*, Vol. 15 No. 4, pp.84-93.

Franklin, M. (2014), '3 lessons for successful transformational change', *Industrial and Commercial Training*, Vol. 46 Iss 7, pp. 364-370.

Freese, C., Schalk, R. and Croon, M. (2011), 'The impact of organizational changes on psychological contracts – A longitudinal study', *Personnel Review*, Vol. 40 No. 4, pp. 404-422.

French, W.L. and Bell, C. (1990), *Organization Development, Behavioral Science Interventions for Organization Improvement(4th ed.)*, Prentice Hall, Englewood Cliffs, NJ.

Frooman, J., Mendelson, M.B. and Murphy, J. K. (2012), 'Transformational and passive avoidant leadership as determinants of absenteeism', *Leadership & Organization Development Journal*, Vol. 33 No. 5, pp. 447-463.

Fu, W. and Deshpande, S. P. (2014), "The Impact of Caring Climate, Job Satisfaction, and Organizational Commitment on Job Performance of Employees in a China's Insurance Company", *Journal of Business Ethics*, 124(2), 339-349.

Fu, W., Deshpande, S. P. and Zhao, X. (2011), 'The impact of ethical behavior and facets of job satisfaction on organizational commitment of Chinese employees', *Journal of Business Ethics*, 104(4), 537-543.

Fugate, M. (2012), 'The Impact of Leadership, Management, and HRM on Employee Reactions to Organizational Change', in Martocchio, J.J., Joshi, A. and Liao, H. (Eds.), *Research in Personnel and Human Resources Management (Research in Personnel and Human Resources Management, Volume 31)* Emerald Group Publishing Limited, pp.177-208.

Furnham, A., Petrides, K.V., Tsaosis, I., Pappas, K. and Garrod, D. (2005), 'A cross-cultural investigation into the relationships between personality traits and work values', *The Journal of Psychology*, 139(1), 5-32.

Gable, G.G. (2010), 'Integrating case study and survey research methods: an example in information systems', *European Journal of Information Systems*, Vol. 3 No. 2, pp. 112-26 (available at: http://eprints.qut.edu.au/5853/1/5853.pdf).

Gannon, J.M., Doherty, L., and Roper, A. (2012), 'The role of strategic groups in understanding strategic human resource management', *Personnel Review*, Vol. 41 Iss 4, pp. 513-546.

Gao, Q. and Banerji, S. (2015), 'The growth appraisal system for Chinese SMEs', *Journal of Chinese Economic and Business Studies*, 13(2), 175-193.

Garcia-Morales, V.J., Llorens-Montes, F.J. and Verdu-Jover, A.J. (2006), 'Organizational learning categories: their influence on organizational performance', *International Journal of Innovation and Learning*, Vol. 3 No. 5, pp. 518-36.

Gellatly, I.R., Meyer, J.P. and Luchak, A.A. (2006), 'Combined effects of the three commitment components on focal and discretionary behaviors: a test of Meyer and Herscovitch's propositions', *Journal of Vocational Behavior*, Vol. 69 No. 2, pp. 331-345.

Gerring, J. (2007), 'The case study: what it is and what it does', in Boix, C. and Stokes, S.C. (Eds.), *Oxford Handbook of Comparative Politics*, New York, NY: Oxford University Press, pp. 90-122.

Ghebregiorgis, F. and Karsten, L. (2007), 'Human resource management and performance in a developing country: the case of Eritrea', *International Journal of Human Resource Management*, Vol. 18 No. 2, pp. 321-32.

Gibbert, M., Ruigrok, W. and Wicki, B. (2008), 'What passes as a rigorous case study?', *Strategic Management Journal*, Vol. 29 No. 13, pp. 1465-1474.

Gill, C. and Meyer, D. (2011), 'The role and impact of HRM policy', *International Journal of Organizational Analysis*, Vol. 19 Iss 1, pp. 5-28.

Gillon, A.C., Braganza, A., Williams, S.J. and McCauley-Smith, C. (2014), 'Organisation development in HRM: a longitudinal study contrasting evolutionary trends between the UK and USA', *The International Journal of Human Resource Management*, 25(7), 1002-1023.

Gioia, D.A., Thomas, J.B., Clark, S.M. and Chittipeddi, K. (1994), 'Symbolism and strategic change in academia: the dynamics of sensemaking and influence', *Organization Science*, Vol. 5 No. 3, pp. 363-383.

Glaser, B.G. and Strauss, A.L. (1967), *The Discovery of Grounded Theory: Strategies for Qualitative Research,* Chicago IL: Aldine.

Glazer, S., Daniel, S.K. and Short, K.M. (2004), 'A study of the relationship between organizational commitment and human values in four countries', *Human Relations,* Vol. 57 No. 3, pp. 323-45.

Gomm, R., Hammersley, M. and Foster, P. (2000), 'Case Study and Generalization', Ch. in Gomm, R., Hammersley, M. and Foster, P. (Eds.), *Case Study Method: Key Issues, Key Texts,* Sage Publications, London, pp. 98-115.

Gong, Y., Law, K.S., Chang, S., and Xin, K.R. (2009), 'Human resources management and firm performance: The differential role of managerial affective and continuance commitment', *Journal of Applied Psychology,* 94(1), pp. 263-275.

Government of Western Australia, Department of Training and Workforce Development (2015), *Managing Employee Performance*, http://www.workplace-essentials.dtwd.wa.gov.au/workforce-development/management-and-motivation/managing-employee-performance (accessed on 2.10.2016).

Grady, V.M. and Grady, J.D. (2013), "The relationship of bowlby's attachment theory to the persistent failure of organizational change initiatives", *Journal of Change Management*, Vol. 13 No. 2, pp. 206-222.

Greenberg, J. and Baron, R.A. (1997), *Behaviour in organizations: Understanding and managing the Human side of work (6th ed.)*, Prentice-Hall, New Jersey.

Grøtnes E., (2009), 'Standardization as open innovation: two cases from the mobile industry', *Information Technology & People*, Vol. 22 Iss 4, pp. 367-381.

Gu, F. and Nolan J. (2015), 'Performance appraisal in Western and local banks in China: the influence of firm ownership on the perceived importance of guanxi', *The International Journal of Human Resource Management,* DOI:10.1080/09585192.2015.1089063.

Gu, Q., Wang, L., Sun, J.Y. and Xu, Y. (2010), "Understanding China's Post-80 employees' work attitudes: an explorative study", *Journal of Chinese Human Resource Management*, Vol. 1 Iss 2, pp. 74-94.

Gu, Z. and Siu, R.C.S. (2009), 'Drivers of job satisfaction as related to work performance in Macao casino hotels: an investigation based on employee survey', *International Journal of Contemporary Hospitality Management*, Vol. 21 No. 5, pp. 561-78.

Guest, D.E. (1997), 'Human Resource Management and Performance: A Review and Research Agenda', *International Journal of Human Resource Management*, 8(3): 263-276.

Guest, D.E., Michie, J., Conway, N. and Sheehan, M. (2003), 'Human Resource Management and Corporate Performance in the UK', *British Journal of Industrial Relations*, 41(2): 291-314.

Guion, R.M. (1965), *Personnel testing*, New York: McGraw-Hill.

Gummesson, E. (2003), 'All research is interpretive', *Journal of Business & Industrial Marketing,* 18(6-7), 482-492.

Gupta, A. and Upadhyay, D. (2012), 'Impact of Performance Management System on Employee Satisfaction and Commitment', *International Journal of Management, IT and Engineering*, Vol. 2 Iss 7, pp. 96-106.

Gupta, P. (2011), 'Leading Innovation Change - The Kotter Way', *International Journal of Innovation Science,* Vol. 3 Iss 3, pp. 141-149.

Guthrie, D. (2005), 'Organizational Learning and Productivity: State Structure and Foreign Investment in the Rise of the Chinese Corporation', *Management and Organization Review*, 1(2), 165-195.

Guthrie, J., Flood, P., Liu, W. and MacCurtain, S. (2009), 'High performance work system in Ireland: human resource and organisational outcomes', *The International Journal of Human Resource Management*, Vol. 20 Iss 1, pp. 112-25.

Guzma´n, W.Z., Gely, M.I., Crespo, K., Matos, J.R., Sa´nchez, N. and Guerrero, L.M. (2011), 'Transformation of a dental school's clinical assessment system through Kotter's eight-step change process', *Journal of Dental Education*, Vol. 75 No. 4, pp. 485-95.

Hacker, M. and Washington, M. (2004), 'How do we measure the implementation of large-scale change?', *Measuring Business Excellence*, Vol. 8 No. 3, pp. 52-59.

Haines, V.Y., St-Onge, S. and Marcoux, A. (2004), 'Performance management design and effectiveness in quality-driven organizations', *Canadian Journal of Administrative Sciences,* 21(2)*,* 146-161.

Hair, J, Anderson, R, Tatham, R and Black, W. (2006), *Multivariate Data Analysis*, NJ: Pearson/Prentice Hall, Inc.

Hall, D.T. and Goodale, J.G. (1986), *Human Resource Management: Strategy, Design and Implement*, Foresmen Company.

Hall, M. (2008), 'The effect of comprehensive performance measurement systems on role clarity, psychological empowerment and managerial performance', *Accounting, Organizations and Society*, Vol. 33 Iss 2-3, pp. 141-63.

Hallencreutz, J. and Turner, D. (2011), 'Exploring organizational change best practice: are there any clear-cut models and definitions?', *International Journal of Quality and Service Sciences*, Vol. 3 No. 1, pp. 60-68.

Harber, B. W. (1998), 'The Balanced Scorecard - Solution at Peel Memorial Hospital', *Healthcare Quarterly*, 1(4), pp. 59-63.

Hassan, A. (2007), 'Human resource development and organizational value', *Journal of European Industrial Training*, Vol. 31 No. 6, pp. 435-448.

Hassan, A. (2010), 'Linking quality assurance to human resource management: a study of SMEs in Malaysia', *International Journal of Quality & Reliability Management*, Vol. 27 Iss 6, pp. 641-657.

Hatch, M.J. (1993), 'The dynamics of organizational culture', *Academy of Management Review*, Vol. 18 No. 4, pp. 657-93.

He, C., Wei, Y.D. and Xie, X. (2008), 'Globalization, Institutional Change, and Industrial Location: Economic Transition and Industrial Concentration in China'*, Regional Studies*, Vol. 42 Iss 7, pp. 923-945.

He, W., Chen, C.C. and Zhang, L. (2004), 'Rewards-allocation preferences of Chinese employees in the new millennium: the effects of ownership reform, collectivism, and goal priority', *Organization Science*, Vol. 15 No. 2, pp. 221-31.

Healy, M. and Perry, C. (2000), 'Comprehensive Criteria to Judge Validity and Reliability of Qualitative Research Within the Realism Paradigm,' *Qualitative Market Research*, 3(3), 118-126.

Hellqvist, N. (2011), 'Global performance management: a research agenda', *Management Research Review*, Vol. 34 No. 8, pp. 927-94

Helms Mills, J., Dye, K. and Mills, A.J. (2009), *Understanding Organizational Change*, Routledge, London.

Hempel, P.S. (2001), 'Differences between Chinese and Western managerial views of performance', *Personnel Review*, Vol. 30 No. 2, pp. 203-26.

Henderson, J.R. and Ruikar, K., (2010), 'Technology implementation strategies for construction organisations', *Engineering, Construction and Architectural Management*, Vol. 17 Iss 3, pp. 309 -327.

Herman, A. (2007), *Performance management*, Upper Saddle River, NJ: Pearson Education.

Herman, J.B., Dunham, R.B. and Hulin, C. L. (1975), 'Organizational Structure, Demographic Characteristics, and Employee Responses', *Organizational Behavior & Human Performance*, Vol. 13 Iss 2, pp. 206-232.

Herold, D.M., Fedor, D.B., and Caldwell, S.D. (2007), "Beyond Change Management: A Multilevel Investigation of Contextual and Personal Influences on Employees' Commitment to Change", *Journal of Applied Psychology*, Vol. 92 No. 4, pp. 942-951.

Herold, D.M., Fedor, D.B., Caldwell, S.D. and Liu, Y. (2008), "The effects of transformational and change leadership on employees' commitment to a change: a multilevel study", *Journal of Applied Psychology*, Vol. 93 No. 2, pp. 346-357.

Herscovitch, L. and Meyer, J. P. (2002), 'Commitment to organizational change: Extension of a three-component model', *Journal of Applied Psychology,* 87(3), 474-487.

Heskett, J.L., Sasser, W.E. Jr and Schlesinger, L.A. (1997), *The Service Profit Chain*, Free Press, New York, NY.

Higgs, M. and Rowland, D. (2010), 'Emperors with clothes on: the role of self-awareness in developing effective change leadership', *Journal of Change Management*, Vol. 10 No. 4, pp. 369-385.

Hillebrand, B., Kok, R.A.W. and Biemans, W.G. (2001), 'Theory-testing using case studies: a comment on Johnston, Leach, and Liu', *Industrial Marketing Management*, 30, pp. 651-657.

Hira, A., and Waqas, I. (2012), 'A Study of job satisfaction and IT's Impact on the performance in the banking industry of Pakistan', *International Journal of Business and Social Science*, 3(19), 174-180.

Hofstede, G. and Bond, M.H. (1984), 'Hofstede's culture dimensions: an independent validation using Rokeach's value survey', *Journal of Cross-Cultural Psychology*, Vol. 15 No. 4, pp. 417-33.

Hofstede, G. and Hofstede, G.J. (2005), *Culture and Organizations: Software of the Mind*, McGraw-Hill, New York, NY.

Holbeche, L. (2003), *High Performance Organisation Checklist*, Roffey Park Institute, West Sussex.

Holland, W. and Salama, A. (2010), 'Organizational learning through international M&A integration strategies', *The Learning Organization*, Vol. 17 No. 3, pp. 268-83.

Hong Kong Commercial Daily (2013), 'Factories Showed Unwillingness towards Overseas Orders --- 20% of Overseas Orders Were Dropped by Factories in Pearl River Delta' (in Chinese Text), 30-10-2013, *http://www.hkcd.com.hk/content/2013-10/30/content_3264776.htm* (accessed on 15 November 2013).

Humborstad, S.I.W. and Perry, C. (2011), 'Employee empowerment, job satisfaction and organizational commitment: An in-depth empirical investigation', *Chinese Management Studies*, Vol. 5 Iss 3, pp. 325-344.

Huselid, M.A. (1995), 'The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial performance', Academy of Management Journal, Vol. 38, No. 3, pp. 635-672.

Huselid, M.A. and Becker, B. (2011), 'Bridging micro- and macrodomains: Workforce differentiation and strategic human resource management', *Journal of Management,* 37(2), 421-428.

Huselid, M.A., Jackson, S.E. and Schuler, R. (1997), 'Technical and strategic human resource effectiveness as determinants of firm performance', *Academy of Management Journal*, Vol. 40 No. 1, pp. 171-188.

Iqbal, M.T., Latif, W., and Naseer, W. (2012), 'The impact of person job fit on job satisfaction and its subsequent impact on employees performance', *Mediterranean Journal of Social Sciences*, 3(2), 523-530.

Ireland, R.D. and Hitt, M.A. (1992). 'Mission statements: Importance, challenge, and recommendations for development', *Business Horizons*, 35(3), 34-42.

Ismail, M. (2005), 'Creative climate and learning organization factors: their contribution towards innovation', *Leadership & Organization Development Journal*, 26(8), 639-654.

Jabbour, C.J.C. and Santos, F.C.A. (2008), 'The central role of human resource management in the search for sustainable organizations', *The International Journal of Human Resource Management*, Vol. 19 No. 12, pp. 2133-2154.

Jacobs, G., van Witteloostuijn, A. and Christe-Zeyse, J. (2013), 'A theoretical framework of organizational change', *Journal of Organizational Change Management*, Vol. 26 Iss 5, pp. 772-792.

Jago, L. and Deery, M. (2002), 'The Role of Human Resource Practices in Achieving Quality Enhancement and Cost Reduction: An Investigation of Volunteer Use in Tourism Organisations', *International Journal of Contemporary Hospitality Management,* 14(5): 229-236.

Jang, H., Kim, K., Kim, J. and Kim, J. (2011), 'Labour productivity model for reinforced concrete construction projects', *Construction Innovation*, Vol. 11 Iss 1, pp. 92 -113.

Jansson, N. (2013), 'Organizational change as practice: a critical analysis', *Journal of Organizational Change Management*, Vol. 26 No. 6, pp. 1003-1019.

Jaros, S. (2010), 'Commitment to organizational change: a critical review', *Journal of Change Management*, Vol. 10 No. 1, pp. 79-108.

Jeffress, R.S. (2003), *Transformation initiatives in today's U.S. Army?*, Fort Leavenworth, KS: Army Command and General Staff College.

Jian, G. (2011), 'Articulating circumstance, identity and practice: toward a discursive framework of organizational changing', *Organization*, Vol. 18 No. 1, pp. 45-64.

Jiang, B., Baker, R.C. and Frazier, G.V. (2009), 'An analysis of job dissatisfaction and turnover to reduce global supply chain risk: evidence from China', *Journal of Operations Management*, Vol. 27 No. 2, pp. 169-84.

Jiang, J.W., Wang, S., and Zhao, S. (2012a), 'Does HRM facilitate employee creativity and organizational innovation? A study of Chinese firms', *The International Journal of Human Resource Management*, Vol. 23 Iss 19, pp. 4025-4047.

Jiang, K., Lepak, D.P., Han, K., Hong, Y., Kim, A. and Winkler, A. (2012b), 'Clarifying the construct of human resource system: relating human resource management to employee performance', *Human Resource Management Review*, Vol. 22 No. 2, pp. 73-85.

Jick, T.D. and Peiperl, M.A. (2003), *Managing Change: Cases and Concept (2nd ed.)*, McGraw Hill, Boston.

Jing, R., Xie, J.L. and Ning, J. (2014), 'Commitment to organizational change in a Chinese context', *Journal of Managerial Psychology*, Vol. 29 Iss 8, pp. 1098-1114.

Jones, R.A., Jimmieson, N.L. and Griffiths, A. (2005), 'The impact of organizational culture and reshaping capabilities on change implementation success: the mediating role of readiness for change', *Journal of Management Studies*, Vol. 42 No. 2, pp. 361-86.

Joshi, M., Cahill, D., and Sidhu, J. (2010), 'Intellectual capital performance in the banking sector: An assessment of Australian owned banks', *Journal of Human Resource Costing & Accounting,* 14(2), 151-170.

Judge, T.A., Bono, J.E., Thoresen, C.J. and Patton, G.K. (2001), 'The job satisfaction-job performance relationship: a qualitative and quantitative review', *Psychological Bulletin*, Vol. 127 No. 3, pp. 376-407.

Judge, W. and Douglas, T. (2009), 'Organizational change capacity: the systematic development of a scale', *Journal of Organizational Change Management*, Vol. 22 No. 6, pp. 635-649

Kakabadse, A. and Kakabadse, N. (2001), 'Essence of leadership', *Leadership & Organisational Development Journal*, Vol. 22 No. 5, pp. 249-52.

Kang, H.Y. and Shen, J. (2016), 'International performance appraisal practices and approaches of South Korean MNEs in China', *The International Journal of Human Resource Management*, 27(3), 291-310.

Kang, S., Snell, S. and Swart, J. (2012), 'Options-based HRM, intellectual capital, and exploratory and exploitative learning in law firms practice groups', *Human Resource Management*, Vol. 51 No. 4, pp. 461-486.

Kantabutra, S. and Avery, G.C. (2010), 'The power of vision: statements that resonate', *Journal of Business Strategy,* Vol. 31 No.1, pp.37-45.

Karuhanga, B.N. and Werner, A. (2013), 'Challenges impacting performance management implementation in public universities', *African Journal of Economic and Management Studies*, Vol. 4 Iss 2, pp. 223-243.

Katou, A.A. (2012), 'Investigating reverse causality between human resource management policies and organizational performance in small firms', *Management Research Review*, Vol. 35 Iss 2, pp. 134-156.

Katou, A.A. and Budhwar, P.S. (2006), 'Human resource management systems and organizational performance: a test of a mediating model in the Greek manufacturing context', *International Journal of Human Resource Management*, Vol. 17 No. 7, pp. 1260-1276.

Katou, A.A. and Budhwar, P.S. (2010), 'Causal relationship between HRM policies and organizational performance: evidence from the Greek manufacturing sector', *European Management Journal*, Vol. 28 Iss 1, pp. 25-39.

Kelman, S. (2005), *Unleashing Change: A Study of Organizational Renewal in Government*, Brookings Institution, Washington, DC.

Kenny, T. (1994), 'From vision to reality through values', *Management Development Review*, Vol. 3 No.7, pp.17-20.

Kim, S. and Wright, P.M. (2010), 'Putting Strategic Human Resource Management in Context: A Contextualized Model of High Commitment Work Systems and Its Implications in China', *Management and Organization Review*, 7(1), 153-174.

Kim, S., Wright, P.M., and Su, Z. (2010), 'Human resource management and firm performance in China: A critical review', *Asia Pacific Journal of Human Resources,* Vol. 48 Iss 1, pp. 58-85.

Kim, Y. and Gao, F.Y. (2010), 'An empirical study of human resource management practices in family firms in China', *International Journal of Human Resource Management*, Vol. 21 Iss 12, pp. 2095-2119.

Kinicki, A., Jacobson, K., Peterson, S. and Prussia G. (2013), 'Development and Validation of the Performance Management Behaviour Questionnaire', *Personnel Psychology*, 66(1), 1-45.

Kinicki, A., Jacobson, K., Peterson, S., Prussia, G, Wu, B. and McKee-Ryan, F. (2004), 'A covariance structure analysis of employees' response to performance feedback', *Journal of Applied Psychology*, 89(6), 1057-1069.

Kinicki, A.J., Jeff, E.H. and Thomas, E.C. (1986), 'Assessing the Validity of the Cox, Zmud, and Clark Material Requirements-Planning Audit Instrument,' *Academy of Management Journal*, 29(3), 633-641.

Kirkman, B.L. and Shapiro, D.L. (2001), 'The impact of cultural values on job satisfaction and organizational commitment in self-managing work teams: the mediating role of employee resistance', *Academy of Management Journal*, Vol. 44 No. 3, pp. 557-569.

Klein, H.K. and Myers, M.D. (1999), 'A Set of Principles for Conducting and Evaluating Interpretive Field Studies in Information Systems', *MIS Quarterly* (23:1), pp. 67-93.

Knies, E. and Leisink P. (2014), 'Linking people management and extra-role behaviour: results of a longitudinal study', *Human Resource Management Journal,* Vol. 24 Iss 1, pp. 57-76.

Kolberg, L.C. (2008), 'Case Studies and Generalization', Paper Submitted to Doctoral Course Dre 1002, Case Studies Methodology, Department of Public Governance, Norwegian School of Management, Norway.

Koster, F. and Sanders, K. (2006), 'Organizational citizens or reciprocal relationships? An empirical comparison', *Personnel Review,* Vol. 35 Iss 5, pp. 519-537.

Kotey, B. and Slade, P. (2005), 'Formal human resource management practices in small growing firms', *Journal of small business management*, 43(1), 16-40.

Kotter, J.P. (1996), *Leading Change*, Harvard Business School Press, Boston, MA.

Kotter, J.P. (1997), *Chaos, Wandel, Führung – Leading Change*, ECON, Du¨sseldorf.

Kotter, J.P. (1998), 'Leading Change: Why Transformation Efforts Fail', *Harvard Business Review on Change*, A Harvard Business Review Paperback, 1-21.

Kotter, J.P. (2007), 'Leading change: Why transformation efforts fail', *Harvard Business Review*, 1-10.

Kotter, J.P. (2008), *A Sense of Urgency*, Boston, MA, Harvard Business Press.

Kotter, J.P. and Rathgeber, H. (2006), *Our Iceberg Is Melting: Changing and Succeeding under Any Conditions*, St Martin's Press, New York, NY.

Kotter, J.P. and Schlesinger, L.A. (1979). 'Choosing Strategies for Change', *Harvard Business Review*, March-April, 106-114.

Kristensen, K., Jørn Juhl, H., Eskildsen, J., Nielsen, J., Frederiksen, N. and Bisgaard, C. (2006), 'Determinants of absenteeism in a large Danish bank', *International Journal of Human Resource Management*, 17(9), 1645-1658.

Kruskal, W. and Wallis, W.A. (1952), 'Use of ranks in one-criterion variance analysis', *Journal of the American Statistical Association*, Vol. 47 No. 260, pp. 583-621.

Kumar, R.R. and Kamalanabhan, T.J. (2005), 'The role of personality factors in coping with organizational change', *The International Journal of Organisational Analysis*, Vol. 13 No. 2, pp. 175-92.

Kuntz, J.R.C. and Gomes, J.F.S (2012), 'Transformational change in organisations: a self-regulation approach', *Journal of Organizational Change Management*, Vol. 25 No. 1, pp. 143-162.

Kuula, M., Putkiranta, A. and Toivanen, J. (2012), 'Coping with the change: a longitudinal study into the changing manufacturing practices', *International Journal of Operations & Production Management*, Vol. 32 No. 2, pp. 106-120.

Kuvaas, B. (2006), 'Work performance, affective commitment, and work motivation: The roles of pay administration and pay level', *Journal of Organizational Behavior,* 27(3), 365-385.

Kuvaas, B. (2008), 'An exploration of how the employee-organization relationship affects the linkage between perception of developmental human resource practices and employee outcomes', *Journal of Management Studies*, 45(1), 1-25.

Lam, T., Zhang, H, and Baum, T. (2001), "An investigation of Employees' Job Satisfaction: The Case of Hotels in Hong Kong", *Tourism Management*, Vol. 22 No. 2, pp. 157-165.

Lambooij, M.S. (2005), *Promoting cooperation. Studies into the effects of long-term and short-term rewards on cooperation of employees,* Veenendaal, Universal Press.

Lambooij, M., Sanders, K., Koster, F., and Zwiers, M. (2006), 'Human Resource Practices and Organisational Performance: Can the HRM-Performance Linkage be Explained by the Cooperative Behaviours of Employees?', *Management Revue*, 17(3), p. 223-240.

Lamond, D. and Zheng, C. (2010), 'HRM research in China: looking back and looking forward', *Journal of Chinese Human Resource Management*, Vol. 1 Iss 1, pp. 6-16.

Landau, D., Drori, I. and Porras, J. (2006), "Vision: friend and foe during change: a rejoinder to reviewers' comments", *Journal of Applied Behavioral Science*, Vol. 42 No. 2, pp. 177-181.

Landy, F.J. and Conte, J.M. (2004), *Work in the 21st Century: An introduction to Industrial and Organizational Psychology*, McGraw Hill, New York.

Larkin, J.M. (1990), "Does gender affect internal auditors' performance?", *The Woman CPA,* Spring, pp. 20-24.

Lee, A.S. and Baskerville, R.L. (2003), 'Generalizing Generalizability in Information Systems Research', *Information Systems Research*, 14(3), 221-243.

Lee, F.H. and Lee, F.Z. (2007), 'The relationships between HRM practices, Leadership style, competitive strategy and business performance in Taiwanese steel industry', *Proceedings of the 13th Asia Pacific Management Conference*, Melbourne, Australia, 2007, 953-971.

Lee, G. and Jimenez, B.S. (2011), 'Does performance management affect job turnover intention in the federal government?', *The American Review of Public Administration*, 41(2), 168-184.

Lee, T.N., Fawcett, S.E. and Briscoe, J. (2002), 'Benchmarking the challenge to quality program implementation', *Benchmarking: An International Journal*, Vol. 9 Iss 4, pp. 374-387.

Levering, R. and Moskowitz, M. (2002), 'Best companies to work for: the best in the worst of times', *Fortune,* Vol. 145 No.3, pp.148-68.

Lewin, K. (1947), 'Frontiers in group dynamics: concepts, method and reality in social sciences, social equilibria and social change', *Human Relations*, Vol. 1 No. 1, pp. 5-41.

Lewin, K. (1951), *Field Theory in Social Science*, Harper & Row, New York, NY.

Lewin, K. (1989), 'Changing as Three Steps: Unfreezing, Moving, and Freezing of Group Standards', in French, W.L., Bell, C.H. Jr. and Zawacki, R.A. (Eds.), *Organizational Development. Theory, Practice, and Research, 3rd ed.*, Irwin, p. 87.

Li, H.R. and Khalil, T.M. (2006), 'Technology management in China: a global perspective and challenging issues', *Journal of Technology Management in China*, Vol. 1 No. 1, pp. 9-26.

Li, J.M. (2012), ‘Philosophy, training and spirituality: a longitudinal, empirical study’, *Chinese Management Studies*, Vol. 6 No. 4, pp. 582-597.

Li, X.B., Frenkel, S.J. and Sanders, K. (2011), ‘Strategic HRM as process: How HR system and organizational climate strength influence Chinese employee attitudes’, *International Journal of Human Resource Management,* 22(9), 1825-1842.

Liang, X., Marler, J.H. and Cui, Z. (2012), ‘Strategic human resource management in China: East meets west’, *Academy of Management Perspectives*, 26(2), 55-70.

Liao, H., Toya, K., Lepak, D. and Hong, Y. (2009), ‘Do they see eye to eye? Management and employee perspectives of high-performance work systems and influence processes on service quality’, *Journal of Applied Psychology*, 94(2): 371-391.

Lin, F. and Rohm C.E.T. (2009), “Managers' and end-users' concerns on innovation implementation”, *Business Process Management Journal*, Vol. 15 Iss 4, pp. 527-547.

Lin, Y.L. (2002), “Guoji Laogon Biaozhun Yu Jingjin Quanqio Hua (‘International Labour Standard and Economic Globalisation’)”, paper presented at the Conference on The Influence of China’s WTO Accession on Labour Relations, Beijing, October 15-16.

Lin, Z. (2012), ‘A study of the impact of western HRM systems on firm performance in China’, *Human Resource Management International Digest*, Vol. 20 Iss 7, pp. 21-35.

Lindahl, R.A. (1998), ‘Reflections on educational reform in Cuba’, *International Journal of Educational Reform, 7*(4), 300-308.

Lindholm, N. (2000), ‘National culture and performance management in MNC subsidiaries’, *International Studies of Management & Organization*, 29(4), 45-66.

Liu, P. (2016), "Chinese teachers’ perspectives on teachers’ commitment to change", *International Journal of Comparative Education and Development*, Vol. 18 Iss 1, pp. 2-18.

Liu, S. (2003), ‘Cultures within culture: Unity and diversity of two generations of employees in state-owned enterprises’, *Human Relations*, 56(4), 387-417.

Liu, Y.Q. (2012), *Report on Chinese Non-governmental Enterprise Competitiveness, Transformation and Upgrading and Competitiveness Index,* Shanghai: Social Sciences Academic Press.

Liu, X. and Dong, K.Y. (2012), "Development of the Civil Servants' Performance Appraisal System in China: Challenges and Improvements", *Review of Public Personnel Administration,* 32(2), 149-168.

Locke, E.A. (1976), 'The nature and causes of job satisfaction', in Dunnette, M.D. (Eds.), *Handbook of Industrial and Organizational Psychology*, Rand-McNally, Chicago, IL, Vol. 1, pp. 1297-1343.

Locke, E.A. and Latham, G.P. (2002), 'Building a practically useful theory of goal setting and task motivation: A 35-year odyssey,' *American Psychologist*, 57(9), 705-717.

Løkkel, A.K. and Sørensen, P.D. (2014), 'Theory Testing Using Case Studies', *Electronic Journal of Business Research Methods,* Vol. 12 Iss 1, pp. 66-74.

Long, S.L., Ajagbe, M.A. and Kowang, T.O. (2014), "Addressing the Issues on Employees' Turnover Intention in the Perspective of HRM Practices in SME", *Social and Behavioral Sciences*, 129, pp. 99-104.

Lu, K.Y., Zhu, J.X and Bao, H.J. (2015), 'High-performance human resource management and firm performance', *Industrial Management and Data Systems*, Vol. 115 Iss 2, pp. 353-382.

Lunnan, R., Lervik, J.E., Traavik, L., Nilsen, S., Amdam, R.P. and Hennestad, B. (2005), 'Global transfer of management practices across nations and MNC subcultures', *Academy of Management Executive*, Vol. 19 No. 2, pp. 77-80.

Luo, W.H., Song. L.J.W., Geber, D.R., Zhang, K. and Feng , Y.X., (2016), "How does leader communication style promote employees' commitment at times of change?", *Journal of Organizational Change Management*, Vol. 29 Iss 2, pp. 242-262.

Luthans, F., Avolio, B.J., Walumbwa, F.O. and Li W. (2005), 'The Psychological Capital of Chinese Workers: Exploring the Relationship with Performance', *Management and Organization Review*, 1(2), 249-271.

Macfarlane, F., Greenhalgh, T., Humphrey, C., Hughes, J., Butler, C. and Pawson, R. (2011), 'A new workforce in the making?: A case study of strategic human resource management in a whole-system change effort in healthcare', *Journal of Health Organization and Management*, Vol. 25 Iss 1, pp. 55-72.

Manning T. (2012), 'Managing change in hard times', *Industrial and Commercial Training*, Vol. 44 Iss 5, pp. 259-267.

Mao, N., Song, H. and Han, Y. (2013), "High-performance work systems and influence processes on employees' attitudes: Perspectives from China", *International Journal of Manpower*, Vol. 34 No. 7, pp. 736-752.

Mason, J. (2002), *Qualitative Researching*, London, UK: Sage Publications (2nd Edition).

Masuda, T. and Nisbett, R.E. (2001), 'Attending Holistically versus Analytically: Comparing the context sensitivity of Japanese and Americans', *Journal of Personality and Social Psychology*, 81(5), 922-934.

Maxwell, J.A. (1992), 'Understanding and validity in qualitative research', *Harvard Educational Review*, 62 (3): 279-99.

McAdam, R. and Galloway, A. (2005), 'Enterprise resource planning and organizational innovation: a management perspective', *Industrial Management & Data Systems*, Vol. 105 No. 3, pp. 280-90.

McAdam, R., Keogh, W., Reid, R.S. and Mitchell, N. (2007), 'Implementing innovation management in manufacturing SMEs: a longitudinal study', *Journal of Small Business and Enterprise Development*, Vol. 14 No. 3, pp. 385-403.

McDonald Darren M. (2006), "Developing and Implementing a Framework to Study Human Resource Management in 'Venture Companies' (Start-up Companies) in Japan", *Institute of Business Research, Daito Buna University*, Research Papers E-42, March, 2006, *http://www.academia.edu/446254/Developing_and_Implementing_a_Framework_to_Study_Human_Resource_Management_in_Venture_Companies_Start-up_Companies_in_Japan* (accessed on 8 September 2013).

McLean, G.N. (2006), *Organization Development: Principles, Processes, Performance*, Berrett-Koehler, San Francisco, CA.

Meredith, J. (1998), 'Building operations management theory through case and field research', *Journal of Operations Management*, Vol. 16 Iss 4, pp. 441-54.

Meyer, J.P. and Allen, N.J. (1991), 'A three-component conceptualization of organizational commitment', *Human Resource Management Review*, Vol. 1 No. 1, pp. 61-89.

Meyer, J.P., Hecht, T.D., Gill, H. and Toplonytsky, L. (2010), 'Person-organization (culture) fit and employee commitment under conditions of organizational change: A longitudinal study', *Journal of Vocational Behavior*, 76(3), 458-473.

Meyer, J.P. and Herscovitch, L. (2001), 'Commitment in the workplace: toward a general model', *Human Resource Management Review*, Vol. 11 No. 3, pp. 299-326.

Meyer, J.P., Srinivas, E.S., Lal, J.B. and Topolnytsky, L. (2007), 'Employee commitment and support for an organizational change: test of the three-component model in two cultures', *Journal of Occupational & Organizational Psychology*, Vol. 80 No. 2, pp. 185-211.

Miller, S. (1997), 'Implementing strategic decisions: four key success factors', *Organization Studies*, Vol. 18 No.4, pp. 577-602.

Mingpao Daily of Hong Kong (2011), 'Factory Buildings in Dongguan in Widespread Vacancy, and Increasing Close-down of Factories in Pearl River Delta' (in Chinese Text), 29-8-2011, *http://www.mpfinance.com/htm/finance/20110829/News/eb_eba1.htm* (accessed on 30 December 2011).

Mirabile, R.J. (1996), 'Translating company values into performance outcomes', *Human Resource Professional*, Vol. 9 No. 4, pp. 25-8.

Mitchell, J. C. (1983), 'Case and situation analysis', *Sociology Review*, 51(2), 187-211.

Mitchell, T.R., Holtom, B.C. and Lee, T.W. (2001), 'How to keep your best employees: developing an effective retention policy', *Academy of Management Executive*, Vol. 15, pp. 96-108.

Mitra, A., Jenkins, G.D. Jr. and Gupta, N. (1992), 'A meta-analysis review of the relationship between absence and turnover', *Journal of Applied Psychology*, 77(6), 879-889.

Mobley, W.H. (1977), 'Intermediate linkages in the relationship between job satisfaction and employee turnover', *Journal of Applied Psychology*, Vol. 62 No. 2, pp. 237-240.

Mohd, S.S. (2002),'Labour productivity: an important business strategy in manufacturing', *Integrated Manufacturing Systems*, Vol. 13 Iss 6, pp. 435-438.

Moideenkutty, U., Al-Lamki, A. and Murthy, Y. (2011), 'HRM practices and organizational performance in Oman', *Personnel Review*, Vol. 40 No. 2, pp. 239-51.

Molineux, J. (2013), 'Enabling organizational cultural change using systemic strategic human resource mana*gement – a longitudinal case study', International journal of human resource management,* Vol. 24 Issue 8, pp. 1588-1612.

Momoh A., Roy R., Shehab, E. (2010), 'Challenges in enterprise resource planning implementation: state-of-the-art', *Business Process Management Journal*, Vol. 16 Iss 4, pp. 537-565.

Moullin, M. (2003), 'Perspectives on Performance', *Performance Measurement Association*, Vol. 2, No. 2, pp. 1-25.

Moynihan, D.P. (2008), *The dynamics of performance management: Constructing information and reform,* Washington, DC: Georgetown University Press.

Moynihan, D.P. and Pandey, S.K. (2005), 'Testing how management matters in an era of government by performance management', *Journal of Public Administration Research and Theory*, 15(3), 421-439.

Mulili, B.M. and Wong, P. (2011), 'Continuous organizational development (COD)', *Industrial and Commercial Training*, Vol. 43 Iss 6, pp. 377-384.

Mudor, H. and Tooksoon, P. (2011), 'Conceptual framework on the relationship between human resource management practices, job satisfaction, and turnover', *Journal of Economics and Behavioral Studies*, Vol. 2 No. 2, pp.41-49.

Neubert, M.J., and Cady, S.H. (2001), 'Program commitment: A multi-study longitudinal field investigation of its impact and antecedents', *Personnel Psychology*, 54(2), 421-448.

Neves, P. and Caetano, A. (2009), 'Commitment to Change: Contributions to Trust in the Supervisor and Work Outcomes', *Group & Organization Management*, 34(6), 623-644.

Newman A. and Sheikh A. (2012), 'Organizational commitment in Chinese small- and medium-sized enterprises: The role of extrinsic, intrinsic and social rewards', *International Journal of Human Resources Management*, Vol. 23, Iss 2, pp. 349-367.

Newman A. and Sheikh A. (2014), 'Determinants of best HR practices in Chinese SMEs', *Journal of Small Business and Enterprise Development*, Vol. 21 Iss 3, pp. 414-430.

Newman, M. and Zhao, Y. (2008), 'The process of enterprise resource planning implementation and business process re-engineering: tales from two Chinese small and medium-sized enterprises', *Information Systems Journal*, Vol. 18 Iss 4, pp. 405-426.

Ngo, H.Y., Lau, C.M. and Foley S. (2008), 'Strategic Human Resource Management, Firm Performance, and Employee Relations Climate in China', *Human Resource Management*, 47(1), 73-90.

Nguyen, T.V. and Bryant, S.E. (2004), 'A study of the formality of human resource management practices in small and medium-size enterprises in Vietnam', *International Small Business Journal*, Vol. 22 No. 6, pp. 595-618.

Nielsen, L.B., Mitchell, F. and Nørreklit, H. (2015), 'Management accounting and decision making: Two case studies of outsourcing', *Accounting Forum*, 39(1), 64-82.

Ning, J. and Jing, R. (2012), 'Commitment to change: its role in the relationship between expectation of change outcome and emotional exhaustion', *Human Resource Development Quarterly*, Vol. 23 No. 4, pp. 461-485.

Nitta, K.A., Wrobel, S.L., Howard, J.Y. and Jimmerson-Eddings, E. (2009), 'Leading Change of a School District Re-organisation', *Public Performance & Management Review,* Vol. 32 No. 3, pp. 463-488.

Noble, C.H. and Mokwa, M.P. (1999), 'Implementing marketing strategies: developing and testing a managerial theory', *Journal of Marketing*, Vol. 63 No. 4, pp. 57-73.

Noe, R.A. (2005), *Employee Training and Development*, McGraw-Hill Irwin, New York, NY.

O'Halloran, P.L. (2012), 'Performance pay and employee turnover', *Journal of Economic Studies*, Vol. 39 Iss 6, pp. 653-674.

O'Mahony, M. and Garavan, T.N. (2012), 'Implementing a quality management framework in a higher education organisation', *Quality Assurance in Education*, Vol. 20 Iss 2, pp. 184-200.

Olsson, H.H., Ó Conchúir, E., Agerfalk, P.J. and Fitzgerald, B. (2008), 'Two-stage offshoring: An investigation of the Irish bridge', *MIS Quarterly*, 32(2), 257-279.

Oreg, S. (2006), 'Personality, context, and resistance to organizational change', *European Journal of Work & Organizational Psychology*, Vol. 15 No. 1, pp. 73-101.

Oshagbemi, T.A. (1995), 'Job satisfaction of workers in higher education', *Reflections on Higher Education*, Vol. 7 No. 8, pp. 65-89.

Oshagbemi, T.A. (1997), 'Job satisfaction profiles of university teachers', *Journal of Managerial Psychology,* Vol. 12 No. 1, pp. 27-39.

Oshagbemi, T.A. (1999), 'Overall job satisfaction: how good are single versus multiple-item measures?', *Journal of Managerial Psychology*, Vol. 14 Iss 5, pp. 388-403.

Ostroff, C. and Bowen, D.E. (2000), 'Moving HR to higher level: HR practices and organizational effectiveness', in Klein, K.J. and Kozlowski, S.W.J. (Eds.), *Multilevel Theory, Research and Methods in Organizations*, Jossey Bass, San Francisco, CA, pp. 221-266.

Øvretveit, J., Andreen-Sachs, M., Carlsson, J., Gustafsson, H., Hansson, J., Keller, C., Lofgren, S., Mazzocato, P., Tolf, S. and Brommels, M. (2012), 'Implementing organisation and management innovations in Swedish healthcare', *Journal of Health Organization and Management*, Vol. 26 Iss 2, pp. 237-257.

Paauwe, J. and Richardson, R. (1997), 'Introduction Special Issue on HRM and Performance', *International Journal of Human Resource Management*, 8(3): 257-267.

Palmer, R., Croston, D., Garvey, A. and Mead, S. (2006), 'Marketing of beef and lamb in England: the role of EBLEX', *British Food Journal*, Vol. 108 Iss 10, pp. 808-823.

Paris, A. (2010), 'Labor Productivity of Greek Manufacturing Industries', *Global Business & Management Research*, Vol. 2 Iss 4, pp. 346-365.

Parish, J.T., Cadwallader, S. and Busch, P. (2008), 'Want to, need to, ought to: employee commitment to organizational change', *Journal of Organizational Change Management*, Vol. 21 No. 1, pp. 32-52.

Parker-Gore, S. (1996), 'Perception is reality: using 360-degree appraisal against behavioural competences to effect organizational change and improve management performance', *Career Development International*, Vol. 1 No. 3, pp. 24-7.

Paton, R.A. and McCalman, J. (2000), *Change Management: A Guide to Effective Implementation*, Sage, London.

Patton, E. and Appelbaum, S.H. (2003), 'The case for case studies in management research', *Management Research News*, Vol. 26 Iss 5, pp. 60-71.

Peccei, R., Giangreco, A. and Sebastiano, A. (2011), 'The role of organizational commitment in the analysis of resistance to change – Co-predictor and moderator effects', *Personnel Review*, Vol. 40 No. 2, pp. 185-204.

Pettigrew, A.M., Woodman, R.W. and Cameron, K.S. (2001), 'Studying organizational change and development: challenges for future research', *Academy of Management Journal*, 44(4), 697-713.

Pfeffer, J. (1998), *The Human Equation: Building Profits by Putting People First*, Harvard Business School Press, Boston, MA.

Pfeifer, T., Schmitt, R. and Voigt, T. (2005), 'Managing change: quality-oriented design of strategic change processes', *The TQM Magazine*, Vol. 17 No. 4, pp. 297-308.

Piderit, SK. (2000), 'Rethinking resistance and recognizing ambivalence: A multidimensional view of attitude toward an organizational change', *Academy of Management Review*, 25(4), 783-794.

Pihlak, U. and Alas, R. (2012), 'Resistance to change in Indian, Chinese and Estonian organizations', *Journal of Indian Business Research*, Vol. 4 Iss 4, pp. 224-243.

Poeth, S.J. (2003), *Strategic Management: A Cross-Functional Approach*, Prentice-Hall, Upper Saddle River, NJ.

Poister, T.H., Pasha, O.Q. and Edwards, L.H. (2013), 'Does performance management lead to better outcomes? Evidence from the U.S. public transit industry', *Public Administration Review*, 73(4), 625-636.

Porras, J.I. and Silvers, R.C. (1991), 'Organization development and transformation', *Annual Review of Psychology*, 42(1), 51-78.

Pouliakas, K. and Theodoropoulos, N. (2015), 'The Effect of Variable Pay Schemes on Workplace Absenteeism' *in* Research in Labor Economics. Published online: 08 Mar 2015; 109-157. *http://dx.doi.org/10.1108/S0147-9121(2012)0000036008.*

Price, J.L. and Muller, C.W. (1986), *Absenteeism and Turnover of Hospitality Employees*, JAI Press, Greenwich, CT.

Prieto, I.M. and Pérez-Santana, M.P., (2014), 'Managing innovative work behavior: the role of human resource practices', *Personnel Review*, Vol. 43 Iss 2, pp. 184-208.

Pringle, C.D. and Blumberg, M. (1986), 'What Really Determines Job Performance?', *SAM Advanced Management Journal*, Vol. 51 Iss 4, pp. 9-13.

Qiao, K., Khilji, S., and Wang, X.Y. (2009), 'High-performance work systems, organizational commitment, and the role of demographic features in the People's Republic of China', *International Journal Human Resource Managemen*t*,* 20(11), pp. 2311-2330.

Qu, Y. and Cai, F. (2011), 'Understanding China's workforce competitiveness: a macro analysis', *Journal of Chinese Human Resource Management*, Vol. 2 Iss 1, pp. 8-22.

Rafferty, A. and Simons, R. (2006), 'An examination of the antecedents of readiness for fine-tuning and corporate transformation changes', *Journal of Business and Psychology*, Vol. 20 No. 3, pp. 325-50.

Rafferty, A.E. and Restubog, S.L.D. (2010), 'The impact of change process and context on change reactions and turnover during a merger', *Journal of Management*, Vol. 36 No. 5, pp. 1309-1338.

Rahimnia, F., Moghadasian, M. and Mashreghi, E. (2011), 'Application of grey theory approach to evaluation of organizational vision', *Grey Systems: Theory and Application*, Vol. 1 Iss 1, pp. 33-46.

Rajagopal, P., Zailani, S. and Sulaiman, M. (2009), 'Benchmarking on supply chain partnering effectiveness in two semiconductor companies', *Benchmarking: An International Journal*, Vol. 16 Iss 5, pp. 671-701.

Rasmussen, E., Andersen, T. and Haworth, N. (2010), 'Has the strategic-role and professional status of human resource management in New Zealand peaked?', *Journal of Industrial Relations*, Vol. 52 No. 1, pp. 103-18.

Raukko, M. (2009), 'Organizational commitment during organizational changes – A longitudinal case study on acquired key employees', *Baltic Journal of Management*, Vol. 4 No. 3, pp. 331-352.

Razouk, A.A. and Bayad, M. (2009), 'Investigating the use of strategic human resource management in French small and medium-sized enterprises: longitudinal study', *Human Systems Management*, Vol. 28 No. 1-2, pp.47-56.

Reid, J. and Hubbell, V. (2005), 'Creating a performance culture', *Ivey Business Journal*, Vol. 69 No. 4, pp. 1-4.

Rhoades, L. and Eisenberger, R. (2002), 'Perceived organizational support: a review of the literature', *Journal of Applied Psychology*, 87(4), 698-714.

Rhodes, S. and Steers, R. (1981), 'A Systematic Approach to Diagnosing Employee Absenteeism', *Employee Relations*, Vol. 3 Iss 2, pp. 17-22.

Ribeiro, T.R., Coelho, J.P. and Gomes, J.F.S. (2011), 'HRM strength, situation strength and improvisation behavior', *Management Research: Journal of the Iberoamerican Academy of Management*, Vol. 9 Iss 2, pp. 118-136.

Riketta, M. (2008), 'The causal relation between job attitudes and performance: a meta-analysis of panel studies', *Journal of Applied Psychology*, Vol. 93 No. 2, pp. 472-481.

Risher, H. (2003), 'Refocusing performance management for high performance', *Compensation and Benefits Review*, Vol. 35 No. 5, pp. 20-30.

Robbins, S.P. and Judge, T.A. (2009), *Organizational Behavior (13th ed.)*, Pearson Education, NJ.

Robinson, O., and Griffiths, A. (2005), 'Coping with the stress of transformational change in a government department', *Journal of Applied Behavioral Science*, 41(2), 204-221.

Robson, I. (2005), 'Implementing a performance measurement system capable of creating a culture of high performance', *International Journal of Productivity and Performance Management*, Vol. 54 No. 2, pp. 137-45.

Rogg, K.L., Schmidt, D.B., Shull, C. and Schmitt, N. (2001), 'Human resource practices, organizational climate, and customer satisfaction', *Journal of Management*, 27(4), 431-449.

Rompho, B. and Siengthai, S. (2012), 'Integrated performance measurement system for firm's human capital building', *Journal of Intellectual Capital*, Vol. 13 No. 4, pp. 482-514.

Roux J. (2009), 'Inspiring a global workforce in an era of change and consolidation: introducing the Luvata Way', *Strategic HR Review*, Vol. 8 Iss 5, pp. 5 -10.

Rowland, H. (2007), 'Organizational development: the new buzz word', *Strategic Direction*, Vol. 23 Iss 1, pp. 3-4.

Rowley, J. (2002), 'Using case studies in research', *Management Research News*, Vol. 25 Iss 1, pp. 16-27.

Rugg, G. and Petre, M. (2007), *A Gentle Guide to Research Methods*, Open University Press.

Sahoo , C.K. and Mishra, S. (2012), 'Performance management benefits organizations and their employees', *Human Resource Management International Digest*, Vol. 20 Iss 6, pp. 3-5.

Sánchez-Vidala, M.E, Cegarra-Leivab, D. and Cegarra-Navarroa, J.G. (2012), "Gaps Between Managers' and Employees' Perceptions of Work-life Balance", *The International Journal of Human Resource Management*, Vol. 23, No. 4, pp. 645-661.

Sarmiento, R., Beale, J. and Knowles, G. (2007), 'Determinants of performance amongst shop-floor employees', *Management Research News*, Vol. 30 Iss 12, pp. 915-927.

Sattari, S., Pitt, L.F. and Caruana, A. (2011), 'How readable are mission statements? An exploratory study', *Corporate Communications: An International Journal*, Vol. 16 Iss 4, pp. 282-292.

Saunders, M., Lewis, P. and Thornhill, A. (2007), *Research Methods for Business Students*, Prentice Hall, New York, NY.

Schein, E. (2004), *Organizational culture and leadership (3rd ed.)*, San Francisco, CA, Jossey-Bass.

Schermerhorn, J.R. (1989), *Management for Productivity,* John Wiley and Sons, New York, NY.

Schuler, R. S. and Jackson, S. E. (1995), 'Understanding human resource management in the context of organizations and their environment', *Annual Review of Psychology*, 46: 237-264.

Schwandt, T.A. (1997), *Qualitative Inquiry,* Thousand Oaks, CA: Sage.

Seawright, J. and Gerring, J. (2008), 'Case Selection Techniques in Case Study Research-A Menu of Qualitative and Quantitative Options', *Political Research Quarterly*, Vol. 61 No. 2, pp. 294-308.

Selladurai, R. (1991), 'Factors Affecting Job Satisfaction – Job Performance Relationship', *American Business Review,* Vol. 9 Iss 1, pp. 16-21.

Selmer, J. and Littrell, R. (2010), "Business managers' work value changes through down economies", *Journal of Chinese Human Resource Management*, Vol. 1, Iss 1, pp.31-48.

Sels, L., De Winne, S., Maes, J., Delmotte, J., Faems, D. and Forrier, A. (2006), 'Unravelling the HRM-performance link: value-creating and cost-increasing effects of small business HRM', *Journal of management studies*, 43(2), 319-342.

Seo, M., Taylor, M.S., Hill, N.S., Zhang, X., Tesluk, P.E. and Lorinkova, N.M. (2012), 'The role of affect and leadership during organizational change', *Personnel Psychology*, Vol. 65 No. 1, pp. 121-165.

Settoon, R.P., Bennett, N. and Liden, R.C. (1996), 'Social exchanges in organization: the differential effects of perceived organizational support and leader member exchange', *Journal of Applied Psychology*, Vol. 81 No. 3, pp. 219-227.

Shaffer, M.A. and Harrison, D.A. (1998), "Expatriates' psychological withdrawal from international assignments: work, nonwork, and family influences", *Personnel Psychology*, Vol. 51 No. 1, pp. 87-118.

Shanley, C. (2007), 'Management of change for nurses: lessons from the discipline of organizational studies', *Journal of Nursing Management*, Vol. 15 Iss 5, pp. 538-546.

Sharp, K. (1998), 'The case for case studies in nursing research: the problem of generalization', *Journal of Advanced Nursing*, 27(6), 785-789.

Shelton, C., Gartland, M. and Stack, M. (2011) 'The impact of organisational culture and person-organisation fit on job satisfaction and organisational commitment in China and the USA', *International Journal of Management Development*, Vol. 1, No. 1, pp.15-39.

Shirey, M.R. (2011), 'Strategic Leadership for Organizational Change. Establishing a Sense of Urgency for Leading Transformational Change', *JONA: the journal of nursing administration*, Vol. 41 Iss 4, pp. 145 -148.

Sidorko P.E. (2008), 'Transforming library and higher education support services: can change models help?', *Library Management*, Vol. 29 Iss 4/5, pp. 307-318.

Siggins J.A. (1992), 'Job Satisfaction and Performance in a Changing Environment', *Library Trends*, Vol. 41 No. 2, pp. 299-315.

Sikdar, A. and Payyazhi, J. (2014), 'A process model of managing organizational change during business process redesign', *Business Process Management Journal*, Vol. 20 Iss 6, pp. 971-998.

Sikora, D.M. and Ferris, G.R. (2014), 'Strategic human resource practice implementation: The critical role of line management', *Human Resource Management Review*, 24(3), 271-281.

Sim, K.L. and Rogers, J. W. (2008), 'Implementing lean production systems: barriers to change', *Management Research News*, Vol. 32 Iss 1, pp. 37-49.

Simoes, P.M.M. and Esposito, M. (2014), 'Improving change management: how communication nature influences resistance to change', *Journal of Management Developmen*t, Vol. 33 Iss 4, pp. 324-341.

Simpson, R. and Hill, F. (2004), 'Squaring the circle; managing and measuring organizational performance whilst stimulating change and innovation', *Total Quality Management*, Vol. 15 Nos 5-6, pp. 689-697.

Sin Chew Daily (2015), "Over 100 Factories Closing Down or Stopping Production in Pearl River Delta – *'Made-in-China'* Facing Unprecented Crisis" (23-2-2015) (in Chinese Text), *http://news.sinchew.com.my/node/411233?tid=2* (accessed on 1 March 2015).

Sina Corp (2015), 'General Hardship for Manufacturers in Pearl River Delta – Halt in Production in Many Original Equipment Manufacturers' (30-4-2015) (in Chinese Text), *http://news.sina.com.tw/article/20150430/14290357.html* (accessed on 1 May 2015).

Singh, R.K., Garg, S.K. and Deshmukh, S.G., (2010), 'The competitiveness of SMEs in a globalized economy: Observations from China and India', *Management Research Review*, Vol. 33 Iss 1, pp. 54-65.

Singh, S., Darwish, T.K., Costa A.C. and Anderson, N. (2012), 'Measuring HRM and organisational performance: concepts, issues, and framework', *Management Decision*, Vol. 50 No. 4, pp. 651-667.

Singpao Daily of Hong Kong (2013), 'Factories in Pearl River Delta Struggling in Hardship of Closing Down' (in Chinese Text), 21-3-2013, *http://www.singpao.com/xw/yw/201303/t20130321_ 425184.html* (accessed on 30 June 2013).

Sinha, J.B.P. (1995), *The Cultural Context of Leadership and Power*, Sage International, New Delhi.

Sisaye, S. and Birnberg, J.B. (2012), 'Chapter 5 Organizational Development (OD) and Organizational Transformation (OT) Process Innovation Strategies', in Sisaye, S. and Birnberg, J.B. (Eds.), *An Organizational Learning Approach to Process Innovations: The Extent and Scope of Diffusion and Adoption in Management Accounting Systems (Studies in Managerial and Financial Accounting, Volume 24)* Emerald Group Publishing Limited, pp.71-86.

Smith I. (2011), 'Organizational quality and organizational change: interconnecting paths to effectiveness', *Library Management*, Vol. 32 Iss 1/2, pp. 111-128.

Smith, P.C., Kendall, L.M. and Hulin, C.L. (1969), *The measurement of satisfaction in work and retirement: A strategy for the study of attitudes*, Rand McNally & Co., Chicago.

Smollan, R.K. (2006), 'Minds, hearts and deeds: cognitive, affective and behavioral responses to change', *Journal of Change Management*, Vol. 6 No. 2, pp. 143-158.

Snape E. and Redman T. (2010), 'HRM Practices, Organizational Citizenship Behaviour, and Performance: A Multi-Level Analysis', *Journal of Management Studies* 47:7, pp. 1119-1246.

Soja, P. (2006), 'Success factors in ERP systems implementations: lessons from practice', *Journal of Enterprise Information Management*, Vol. 19 Iss 6, pp. 646-661.

South China Morning Post – Chinese Edition (2015), 'A Series of Closing Down of Electronic Factories in Pearl River Delta of China. Outflow of Investment Expected in Coming Two Years' (Chinese Text), 14-10-2015, *http://www.nanzao.com/tc/national/150649a167febed/huang-jin-zhou-hou-zhu-san-jiao-dian-zi-chang-lian-huan-dao-guang-zhou-qi-xie-zhu-xi-wei-lai-liang-nian-che-zi-liao-jia-su* (accessed on 15 Oct 2015).

Souza Freitas, W.R., Chiappetta Jabbour, C.J. and Almada Santos, F.C. (2011), 'Continuing the evolution: towards sustainable HRM and sustainable organizations', *Business Strategy Series*, Vol. 12 Iss 5, pp. 226-234.

Springer, G. J. (2011), 'A study of job motivation, satisfaction, and performance among bank employees', *Journal of Global Business Issues*, 5(1), 29-42.

Steel, R.P. (2003) 'Methodological and Operational Issues in the Construction of Absence Variables', *Human Resource Management Review*, 13(2): 243-251.

Steinmetz, G. (2004), 'Odious comparisons: incommensurability, the case study, and "small N's" in sociology', *Sociological Theory*, 22(3), 371-400.

Stening, B.W. and Zhang, M.Y. (2007), 'Methodological challenges confronted when conducting management research in China', *International Journal of Cross-Cultural Management,* Vol. 7 No. 1, pp. 121-142.

Stevenson, M. and Silva, C. (2008), 'Theoretical development of a workload control methodology: evidence from two case studies', *International Journal of Production Research*, Vol. 46 No. 11, pp. 3107-3131.

Storey J. (1995), *Human Resource Management*, A Critical Text, Routledge, London.

Stragalas, N. (2010), 'Improving Change Implementation: Practical Adaptations of Kotter′s Model', *OD Practitioner*, Vol. 42 No. 1, pp. 31-38.

Stuart, I., McCutcheon, D., Handfield, R., McLachlin, R., and Samson, D. (2002), 'Effective case research in operations management: A process perspective', *Journal of Operations Management,* 20(5), 419-433.

Sullivan, R.L., Rothwell, W.J. and Balasi, M.J.B. (2013), 'Organization development (OD) and change management (CM): whole system transformation', *Development and Learning in Organizations*, Vol. 27 No. 6, pp. 18-23.

Sullivan, W., Sullivan, R. and Buffton, B. (2001), 'Aligning individual and organizational values to support change', *Journal of Change Management*, Vol. 2 No. 3, pp. 247-254.

Sun, J. (2000), 'Organization development and change in Chinese state-owned enterprises: a human resource perspective', *Leadership & Organization Development Journal*, Vol. 21 No. 8, pp. 379-89.

Sun, L.Y., Aryee, S. and Law, K.S. (2007), 'High-performance Human Resource Practices, Citizenship Behavior, and Organizational Performance: a relational perspective', *Academy of Management Journal*, Vol. 50 No. 3, 558-577.

Sun, W. and Alas, R. (2007), 'Implementation of Organisational Changes in Chinese Companies', *EBS Review*, Vol. 22(1), pp. 29-41.

Sutherland, E. (2016), 'The case study in telecommunications policy research', *info*, Vol. 18 Iss 1, pp. 16-30.

Swanborn, P. (2010) *Case Study Research: What, Why and How,* Sage Publications, London.

Takeuchi, R., Chen, G. and Lepak, D.P. (2009), "Through the Looking Glass of a Social System: Cross-Level Effects of High-Performance Work Systems on Employees' Attitudes", *Personnel Psychology*, 62(1), 1-29.

Takeuchi, R., Lepak, D.,Wang, H. and Takeuchi, K. (2007). 'An empirical examination of the mechanisms mediating between high-performance work systems and the performance of Japanese organizations', *Journal of Applied Psychology*, 92(4), 1069-1083.

Tang, S., Lu, J. and Hallinger, P. (2014), 'Leading school change in China: a review of related literature and preliminary investigation', *International Journal of Educational Management*, Vol. 28 Iss 6, pp. 655-675.

Tang, S.M., Tang, L.P. and Li, X.Y. (2013), 'Chinese core self-evaluations and job Performance: Entrepreneurs in private small and medium enterprises', *Journal of Chinese Human Resource Management*, Vol. 4 Iss 2, pp. 151-170.

Tansky, J.W. and Cohen, D.J. (2001), 'The relationship between organizational support, employee development, and organizational commitment: an empirical study', *Human Resource Development Quarterly*, 12(3), 285-300.

Taylor, J. and Beh, L. (2013), 'The impact of pay-for-performance schemes on the performance of Australian and Malaysian government employees', *Public Management Review*, 15(8), 1090-1115.

Tian, A.L. and Zhang, X.F. (2004), 'A survey and analysis of the current system of teacher appraisal in primary and secondary schools', *Theory and Practice of Education*, 24(3), 26-30.

Tian-Foreman, W. (2009), 'Job satisfaction and turnover in the Chinese retail industry' *Chinese Management Studies*, Vol. 3 No. 4, pp. 356-378.

Tellis, W. (1997), 'Introduction to case study', *The Qualitative Report*, *3*(2), 1-14.

Toh, S.M., Morgeson, F.P. and Campion, M.A. (2008), 'Human resource configurations: investigating organizational fit with the context', *American Psychological Association*, Vol. 93 No. 4, pp. 864-82.

Tsai, C.J. and Wang, W.L. (2013), "Exploring the factors associated with employees' perceived appraisal accuracy: a study of Chinese state-owned enterprises", *The International Journal of Human Resource Management*, 24:11, 2197-2220.

Tsang, D. (2007), 'Leadership, national culture and performance management in the Chinese software industry', *International Journal of Productivity and Performance management*, Vol. 56 Iss 4, pp. 270 - 284.

Tsang, E.W.K. (2014) 'Generalizing from Research Findings: The Merits of Case Studies, *International Journal of Management Reviews,* Vol. 16 Iss 4, 369-383.

Tsang, H.C. and Chan, P.K. (2000) 'TPM Implementation in China: a case study', *International Journal of Quality and Reliability Management*, Vol. 17 No.2, pp. 144-157.

Tsui, A.S., Pearce, J.L., Porter, L.W. and Tripoli, A.M. (1997), 'Alternative approaches to the employee-organization relationship: does investment in employees pay off?', *Academy of Management Journal*, Vol. 40 No. 5, pp. 1089-1121.

Tsui, A.S., Wang, H. and Xin, K.R. (2006), 'Organizational Culture in China: An Analysis of Culture Dimensions and Culture Types', *Management and Organization Review*, 2:3, 345-376.

Tubin, D. (2008), 'Establishment of a new school and an innovative school: lessons from two Israeli case studies', *International Journal of Educational Management*, Vol. 22 Iss 7, pp. 651-663.

Tung, A., Baird, K. and Schoch, H.P. (2011), 'Factors influencing the effectiveness of performance measurement systems', *International Journal of Operations & Production Management*, Vol. 31 Iss 12, pp. 1287-1310.

Turner, D.M., Haley, H. and Hallencreutz, J. (2009), 'Towards a global definition of best practice', *Journal of Knowledge, Culture and Change Management*, Vol. 9 No. 8, pp. 186-190.

Tushman, M.L. and O'Reilly, C.A. (1997), *Winning Through Innovation: A Practical Guide to Leading Organizational Change and Renewal*, Harvard Business School Press, Boston, MA.

Tutuncu, O. and Kozak, M. (2007), 'An investigation of factors affecting job satisfaction', *International Journal of Hospitality & Tourism Administration*, Vol. 8 No. 1, pp. 1-19.

US Bureau of Labor Statistics (2004), *http://www.bls.gov/lpc/peoplebox.htm*.

Vakola, M. (2014), 'What's in there for me? Individual readiness to change and the perceived impact of organizational change', *Leadership & Organization Development Journal*, Vol. 35 Iss 3, pp. 195-209.

Vakola, M. and Nikolaou, I. (2005), 'Attitudes towards organizational change – What is the role of employees' stress and commitment?', *Employee Relations*, Vol. 27 No. 2, pp. 160-174.

Verma, H. (2009), 'Mission statements – a study of intent and influence', *Journal of Services Research*, Vol. 9 No. 2, pp. 153-172.

Vissak, T. (2010), 'Recommendations for Using the Case Study Method in International Business Research', *The Qualitative Report,* Vol. 15 No. 2, pp. 370-388.

Waldman, D. A. and Spangler, W.D. (1989), 'Putting Together the Pieces: A Closer Look at the Determinants of Job Performance', *Human Performance*, Vol. 2 Iss 1, pp. 29-59.

Walker, A.G. (2007), 'Is performance management as simple as ABC? Effectively managing employee performance breeds organizational success', *Training & Development*, Vol. 61 No. 2, pp. 54-57.

Walker, R. M., Damanpour, F., and Devece, C. A. (2011), 'Management innovation and organizational performance: The mediating effect of performance management', *Journal of Public Administration Research and Theory*, 21(2), 367-386.

Wall, T. and Wood, S. (2005), 'The romance of human resource management and business performance, and the case of the big science', *Human Relations*, Vol. 58 No. 4, pp. 429-62.

Walsham, G. (1993), *Interpreting Information Systems in Organizations*, Chichester, England: John Wiley & Sons.

Walsham, G. (2006), 'Doing Interpretive Research', *European Journal of Information Systems*, Vol. 15 No.3, pp. 320-330.

Wananda, I., Byansi1, P.K., Govule, P., Katongole, S.P., Wampande, L.N., Onzima, R.A. (2015), 'Relationship Between Management Practices and Employee Absenteeism in Public General Hospitals of East-Central Uganda', *International Journal of Public Health Research*, 3(6): 374-383.

Wanberg, C.R. and Banas, J.T. (2000), 'Predictors and outcomes of openness to changes in a reorganizing workplace', *Journal of Applied Psychology*, Vol. 89 No.1, pp.132-42.

Wang, D.S. and Shyu, C.L. (2008), 'Will the strategic fit between business and HRM strategy influence HRM effectiveness and organizational performance?', *International Journal of Manpower*, Vol. 29 No. 2, pp. 92-110.

Wang, H.M. and Feng, W.W. (2003), 'Review on employee job satisfaction', *Commercial Research China*, Vol. 9, pp. 43-45.

Wang, J. (2010), 'Applying western organization development in China: lessons from a case of success', *Journal of European Industrial Training*, Vol. 34 No. 1, pp. 54-69.

Wang, S., Yi, X., Lawler, J. and Zhang, M. (2011), 'Efficacy of high-performance work practices in Chinese companies', *International Journal Human Resource Management,* 22(11), pp. 2419-2441.

Wang, X.H. (2008), 'Analyzing work attitudes of Chinese employees', *Chinese Management Studies*, Vol. 2 Iss 3, pp. 215-228.

Wang, X.Y., Bruning, N.S. and Peng, S. (2007), 'Western high-performance HR practices in China: a comparison among public-owned, private and foreign-invested enterprises', *The International Journal of Human Resource Management*, 18(4), 684-701.

Wang, Z.M. and Wang, S. (2008), 'Modelling regional HRM strategies in China: An entrepreneurship perspective', *The International Journal of Human Resource Management*, 19(5), 945-963.

Warner-Smith, P., Loxton, D. and Brown, W.J. (2007), 'Human resources for longitudinal studies: Matching people to skills and tasks', *International Journal of Multiple Research Approaches*, Vol. 1, No. 2, pp. 92-103.

Wasti, S.A. (2003), 'The influence of cultural values on antecedents of organizational commitment: an individual-level analysis', *Applied Psychology: An International Review*, Vol. 52 Iss 4, pp. 533-554.

Wei, L.Q. (2013), 'Impacts of human resource management practices in the entrepreneurial process: Evidence from China', *Journal of General Management*, Vol. 38 No. 3, pp. 73-89.

Wei L.Q., Liu J. and Herndon, N.C. (2011), 'SHRM and product innovation: Testing the moderating effects of organizational culture and structure in Chinese firms', *International Journal Human Resource Management,* 22(1), pp. 19-33.

Welch, B.L. (1951), 'On the comparison of several mean values: An alternative approach', *Biometrika,* 38(3-4), 330-336.

Welch, J. (2005), *Winning*, Harper & Row, San Francisco, CA.

Westerberg, K. and Hauer, E. (2009), 'Learning climate and work group skills in care work', *Journal of Workplace Learning*, 21(8), 581-594.

Wind, Y. and Robertson, T.S. (1983), 'Marketing Strategy: New Directions for Theory and Research', *Journal of Marketing*, 47(2), 12-25.

Wong, C.S. and Chung, K.M. (2003), 'Work values of Chinese food service managers', *International Journal of Contemporary Hospitality Management*, Vol. 2 No. 15, pp. 66-75.

Woo, H.S. (2007), 'Critical success factors for implementing ERP: the case of a Chinese electronics manufacturer', *Journal of Manufacturing Technology,* Vol. 18 No. 4, pp. 431-42.

Wood, R.E. and Locke, E.A. (1990), 'Goal-setting and strategy effects on complex tasks', *Research in Organizational Behavior: An Annual Series of Analytical Essays and Critical Reviews*, 12, 73-109.

Wright, P.M. and Boswell, W.R. (2002), 'Desegregating HRM: a review and synthesis of micro and macro human resource management research', *Journal of Management*, 28(3), 247-276.

Wright, P.M., Gardner, T.M. and Moynihan, L.M. (2003), 'The impact of HR practices on the performance of business units', *Human Resource Management Journal*, Vol. 13, No. 3, 21-36.

Wright, T.A. and Bonett, D.G. (2007), 'Job satisfaction and psychological well-being as nonadditive predictors of workplace turnover', *Journal of Management,* Vol. 33 No. 2, pp. 141-160.

Xie, Y.H., Zhu, Y. and Warner, M. (2013), "Exploring the reality of educated middle managers' capability and involvement in human resource management in China", *The International Journal of Human Resource Management*, Vol. 24 Iss 18, pp. 3478-3495.

Xin, K.R., Tsui, A.S., Wang, H., Zhang, Z. and Chen, W. (2002), 'Corporate culture in Chinese state-owned enterprises: An inductive analysis of dimensions and influences', in Tsui A.S. and Lau C.M. (Eds.), '*The Management of Enterprises in the People's Republic of China*', Boston, MA: Kluwer Academic Press, (pp. 415-443).

Yamakawa, P., Noriega, C.O., Linares, A.N. and Ram´rez, W.V. (2012), 'Improving ITIL compliance using change management practices: a finance sector case study', *Business Process Management Journal*, Vol. 18 No. 6, pp. 1020-1035.

Yamauchi, K. (2001), 'Corporate communication: a powerful tool for stating corporate missions', *Corporate Communications: An International Journal*, Vol. 6 No. 3, pp. 131-6.

Yang, C.L. and Hwang, M. (2014), 'Personality traits and simultaneous reciprocal influences between job performance and job satisfaction', *Chinese Management Studies*, Vol. 8 Iss 1, pp. 6-26.

Yang, G.Y. and Le, T. (2008), 'Cultural and Political Factors in Conducting Qualitative Research in China', *Qualitative Research Journal*, Vol. 8 Iss 2, pp. 113-123.

Yang, J. and Segal, S. (2005), 'The relationships of organizational culture, commitment to change, and to behavioral support for organizational change in Taiwan', Thesis Published in *ProQuest Dissertations and Theses*.

Yang, J.T., Wan, C.B. and Fu, Y.C. (2012), 'Qualitative examination of employee turnover and retention strategies in international tourist hotels in Taiwan', *International Journal of Hospitality Management*, 31(3), 837-848.

Yao, Q., Ma, H.W. and Yue, G.A. (2010), 'Pre-entry expectations and turnover – An examination of met-expectation hypothesis in Chinese organizational context', *Nankai Business Review International*, Vol. 1 No. 3, pp. 284-296.

Yin, R.K. (1989), *Case study research: Design and methods, 2nd edition,* Sage Publications, London.

Yin, R.K. (2009), *Case Study Research: Design and Methods*, *4th edition,* Sage Publications, Thousand Oaks, CA.

Yin, R.K. (2014), *Case Study Research: Design and Methods*, *5th edition,* Sage Publications, Beverley Hills, CA.

Yoeli, R. and Berkovich, I. (2010), 'From personal ethos to organizational vision: narratives of visionary educational leaders', *Journal of Educational Administration*, Vol. 48 No. 4, pp. 451-467.

Yu, H., Leithwood, K. and Jantzi, D. (2002), "The effects of transformational leadership on teachers' commitment to change in Hong Kong", *Journal of Educational Administration*, Vol. 40 No. 4, pp. 368-389.

Zaccaro, S.J. and Banks, D. (2004), 'Leader visioning and adaptability: Bridging the gap between research and practice on developing the ability to manage change', *Human Resource Management*, 43(4), 367-380.

Zacharatos, A., Barling, J. and Iverson, R.D. (2005), 'High-performance work systems and occupational safety', *Journal of Applied Psychology*, 90(1), 77-93.

Zeffane, R. and Ibrahim, M.E. (2008), 'Exploring the differential impact of job satisfaction on employee attendance and conduct – The case of a utility company in the United Arab Emirates', *Employee Relations*, Vol. 30 No. 3, pp. 237-250.

Zhang, B. and Morris J.L. (2014), 'High-performance work systems and organizational performance: testing the mediation role of employee outcomes using evidence from PR China', *The International Journal of Human Resource management*, 25:1, 68-90.

Zhang, X.F. and Ng, H.M. (2011), 'A case study of teacher appraisal in Shanghai, China: in relation to teacher professional development', *Asia Pacific Education Review*, 12(4): 569-580.

Zhang, Y., Long, L.R., Wu, T.Y. and Huang, X. (2015), 'When is pay for performance related to employee creativity in the Chinese context? The role of guanxi, HRM practice, trust in management, and intrinsic motivation', *Journal of Organizational Behavior*, 36(5), 698-719.

Zhang, Y.C. and Li, S.L. (2009), 'High performance work practices and firm performance: Evidence from the pharmaceutical industry in China', *International Journal Human Resource Management*, 20(11), pp. 2331-2348.

Zhang, Y.M. and Lovegrove, I. (2009), 'Performance appraisal for Chinese state-owned banking industry', *Journal of Organisational Transformation & Social Change*, 6:3, 189-200.

Zhao, S. and Du, J. (2012), 'Thirty-two years of development of human resource management in China: Review and prospects', *Human Resource Management Review,* 22(3), 179-188.

Zheng, C., Morrison, M. and O'Neill, G. (2006), 'An empirical study of high performance HRM practices in Chinese SMEs', *The International Journal of Human Resource Management*, 17(10), 1772-1803.

Zheng, C., Morrison, M. and O'Neill, G. (2009) 'Enhancing Chinese SME Performance through Innovative HR Practices', *Personnel Review*, Vol. 38 No. 2, pp. 175-194.

Zhou, H., Long, L.R. and Wang, Y.Q. (2009), "What is the most important predictor of employees' turnover intention in Chinese call centre: job satisfaction, organisational commitment or career commitment?", *International Journal of Services Technology and Management*, Vol. 12 No. 2, pp. 129-45.

Zhou, L. and Baptista Nunes, M. (2013), 'Doing qualitative research in Chinese contexts: Lessons learned from conducting interviews in a Chinese healthcare environment', *Library Hi Tech*, Vol. 31 Iss 3, pp.419-434.

Zhu, C.J., Cooper, B.K., Fan, D. and De Cieri, H. (2013), 'HR practices from the perspective of managers and employees in multinational enterprises in China: Alignment issues and implications', *Journal of World Business*, 48(2), 241-250.

Zimmerman, R.D. and Darnold, T.C. (2009), 'The impact of job performance on employee turnover intentions and the voluntary turnover process: A meta-analysis and path model', *Personnel Review*, Vol. 38 No. 2, pp. 142-158.

Zivkovic, J. (2012), 'Strengths and Weaknesses of Business Research Methodologies – Two Disparate Case Studies', *Business Studies Journal*, Vol. 4 Iss 2, pp.91-99**.**

APPENDICES

**Appendix 1**

Measure of i) *fit of organisational change with vision, mission and values (VMV) of organisation,* and ii) correlation and linear relationship with *employees' commitment to change* for Hypothesis 1

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. The change is part of an overall strategic plan within my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 2. The change is consistent with other things going on in my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 3. I believe in the value of this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 4. This change is a good strategy for this organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 5. This change serves an important purpose. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 6. Things would be better because of this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 7. The change is aligned with the vision, mission and values in my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 8. I understand how the change fits within the vision of my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 9. I understand how the change fits within the mission of my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 10. I understand how the change fits within the values of my organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 11. I feel a sense of duty to work toward this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 12. I do not think it would be right of me to oppose this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 13. I would feel guilty about opposing this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 14. I feel obligated to support this change. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |

*[Questions adopted from Parish et al. (2008: pp.51-52); Questions 1-2, 7-10 are on 'fit of organisational change with vision, mission and values (VMV) of organisation' while Questions 3-6, 11-14 are on 'employees' commitment to change']*

**Appendix 2**

Measure of *Perceived Implementation Success for Managers* for Hypothesis 2

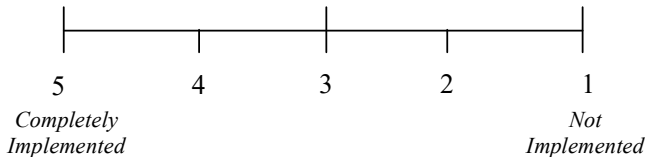
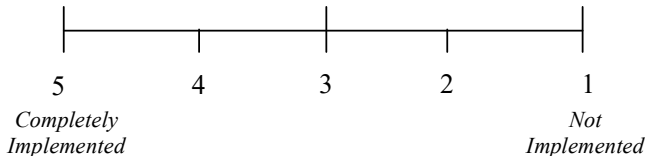
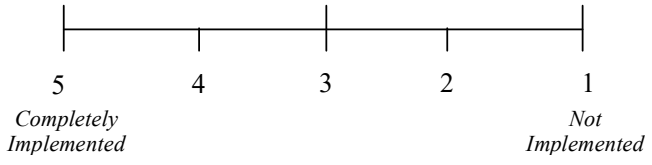
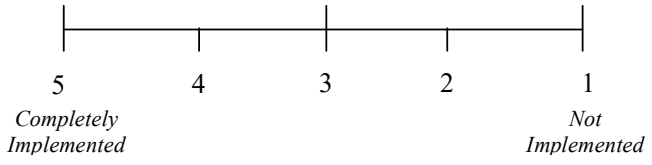
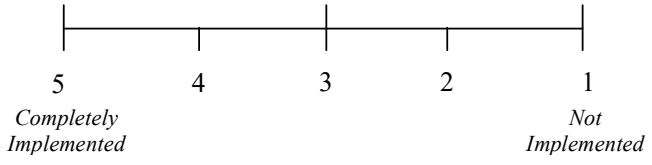
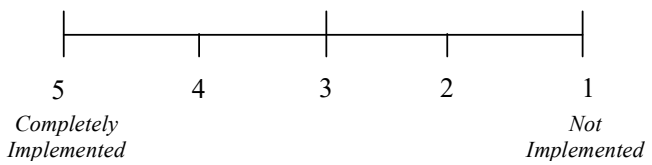
*1 = Implementation not started*

*2 = Any one sub-point in this area already implemented*

*3= Any two sub-points in this area already implemented*

*4= Any three sub-points in this area already implemented*

*5= All sub-points in this area already implemented*

| | |
|---|---|
| 1. Well Defined Key Result Areas and Goals<br>❑ Key result areas identified<br>❑ Goals defined as appropriate<br>❑ Goals linked to organisation vision, mission and values<br>❑ Measurable goals |  |
| 2. Well Defined Objectives<br>❑ Linked to key result areas<br>❑ Measurable objectives with priorities<br>❑ Annual targets<br>❑ Annual performance plans including actions to achieve the objectives |  |
| 3. Well Defined Measurement Process<br>❑ Accepted measures<br>❑ Understanding of measures by all<br>❑ Reliable data sources<br>❑ Reliable survey mechanics and ways of collection |  |
| 4. Well Established Reviews<br>❑ Monthly reviews conducted<br>❑ Quarterly reviews conducted<br>❑ Follow-ups from prior reviews<br>❑ Discussion including plans for next quarter and longer |  |
| 5. Performance Management System (PMS) Responsibilities Being Defined and Visible in:<br>❑ General manager and assistant general managers<br>❑ Division/department heads<br>❑ Section/team heads<br>❑ Unit/line/workstation heads |  |
| 6. Continuous Improvement Processes Exist<br>❑ PMS process assessed<br>❑ Improvement efforts aligned with key result areas<br>❑ Training in PMS provided systematically and broadly<br>❑ Communication plans to keep organisation aware of the status of PMS |  |

**Appendix 3**

Measure of *Perceived Implementation Success* for Employees for Hypothesis 2

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. The implementation of this change to set up a performance management system in our organisation was effective. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 2. Our implementation effort on the strategy to set up a performance management system in our organisation was effective. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 3. This change to set up a performance management system in our organisation has a positive impact on our business results. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 4. This change to set up a performance management system in our organisation has a positive result on the behaviours among employees to meet the organisation's goals and objectives. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 5. I feel satisfied with the change to set up a performance management system in our organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 6. I feel satisfied with the implementation result of the change to set up a performance management system in our organisation. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 7. I consider the implementation of a performance management system in our organisation is towards completion. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| 8. I consider the implementation of a performance management system in our organisation is a success. | 7 | 6 | 5 | 4 | 3 | 2 | 1 |

[Questions 1,2 and 8 from Parish et al (2008; p.54); Questions 3-7 from Ford (2009; p.320 )]

**Appendix 4**

Measure of *Job Satisfaction* for Hypothesis 3

Job Satisfaction Survey (Oshagbemi, 1999: p.392)

I. Which one of the following indicates how much of the time you feel satisfied with your job?

   1. Never
   2. Seldom
   3. About half of the time
   4. Most of the time
   5. All of the time

II. Which one of the following statements best describes how you feel about your job?

   1. I hate it
   2. I dislike it
   3. I am indifferent to it
   4. I like it
   5. I love it

III. Which one of the following statements best describes how you feel about changing your current job?

   1. I wish to quit it
   2. I wish to change it soon
   3. I am not sure if I wish to change it
   4. I am not eager to change it
   5. I would not change it

**Appendix 5**

*Information Sheet to Participants*

**University of South Australia**

**Division of Business, International Graduate School of Business**

| | |
|---|---|
| Title of Research: | *Setting up Performance Management System in Factories in China to Enhance Output* |
| Researcher: | Mr Martie Kwok, MSc in Strategic HRM (Hong Kong Baptist University) |
| | Tel: (852) 9866 3723; e-mail: martiekw@yahoo.com.hk |
| Supervisor: | Dr Davey Yeung (e-mail: davey_yeung@yahoo.com) |
| Date: | _____ |

Dear Sir/Madam

*Invitation to Fill in Anonymous Questionnaires*

I wish to invite your help in filling in the questionnaire attached to this information sheet.

The research aims to study the implementation of change to set up a performance management (PM) system in the small and medium sized factories (SMF) in the Pearl River Delta of China. The PM system is aimed to build up and strengthen the manpower (human resource assets) of the SMF to enhance their organisational capacity and production ability to increase the factory competitiveness to cope with the challenges and difficulties they are facing now.

As the PM system helps the factory enhance the organisational capacity and production ability, being a staff member of the factory, you will be benefited from this PM system as well. The PM system also provides a framework for staff members to clarify roles and tasks with the management, to have clear performance indicators and guidelines, to review performance, to develop skills and competencies, to know how to perform well in work, and to know where to excel efforts to meet the goals and objectives of the factory. This research project is potentially with good benefits to you.

The factory you are working on will conduct / has conducted a pilot launch of a scheme to implement change to set up the PM system. With permission from the management of the factory, I am now conducting this research. As a part of the research study on the implementation of change to set up a PM system in the factory, I wish to have your views and ideas concerning the change to implement a PM system in the factory through your reply to the attached questionnaire.

You are not required to participate in this research, it is your choice. Please note your responses to the questionnaire are completely anonymous. The survey results are reported in general terms with aggregate summaries, and may be published for academic purposes. As there is no personal or individual information in the questionnaires, no personal information will be published. Return of the questionnaire will be via the pre-addressed envelope provided; please do not place your address on the back of the envelope. The envelope should be put through postal mail. Thus, there is **no risk** for you to participate and fill in this survey questionnaire.

/2…

Please also note once you have completed the questionnaire and returned it to me, this implies you have **given your consent** to participate in this survey. Once you have sent the questionnaire, I am unable to withdraw your answers as I will not know which questionnaire is yours.

All the returned questionnaires will be only handled by me, and will be kept by me in a locked cabinet in my house at Flat 1904, 19/F, Block D, Kornhill, 17-19 Hong Shing Street, Quarry Bay, Hong Kong for five years, then all the questionnaires will be destroyed. Only my supervisor and I can access the questionnaires.

I expect my research to be completed around xx 20xx. Please contact me if you wish to have a final report or summary of the research findings.

The University of South Australia's Human Research Ethics Committee has reviewed this study. Should you wish to discuss the project with someone not directly involved, in particular in relation to matters concerning policies, information about the conduct of the study, or your rights as a participant, please contact:

Dr Marguerite Kolar
DBA Programme Director
IGSB Human Research Ethics Committee
University of South Australia
GPO BOX 2471
Adelaide SA 5000
Email: Marguerite.Kolar@unisa.edu.au
Tel:+61 8 8302 0430

If you wish to reply to the questionnaire, please complete the questionnaire, then put it inside the stamped, self-addressed envelope provided, and send the questionnaire to me by postal mail. Please make sure NOT to write your address on the back of the envelope.

Thank you!

_____
(Mr Martie Kwok)

**Appendix 6**

*Invitation Letter to Participating Factories*

**University of South Australia**

**Division of Business, International Graduate School of Business**

To: _____

From: Mr Martie Kwok

Date: _____

==========

Title of Research: *Setting up Performance Management System in Factories in China to Enhance Output*

Researcher: Mr Martie Kwok, Research Candidate of Doctor of Business Administration, University of South Australia; MSc in Strategic HRM, Hong Kong Baptist University
Tel: (852) 9866 3723; e-mail: martiekw@yahoo.com.hk

Supervisor: Dr Davey Yeung

Dear _____

*Invitation to Conduct Research Survey*

Upon our talk on _____, I am happy that you will give permission to let me conduct the research survey 'Setting up Performance Management System in Factories in China to Enhance Output' in your factory.

The research project will study the implementation of change to effectively set up a performance management(PM) system in the small and medium sized factories(SMF) in the Pearl River Delta of China. The PM system will help measure and record the attributes, competencies and potentials of employees to let management have a clear picture of them. Under the PM system, areas and ways to measure employee performance will be clearly and precisely stated. Hence, employees will have very clear performance indicators and guidelines, which will let them know how to perform well in work, and know where to excel their efforts.

Under the PM system, management will also get more accurate data about employees from which they can utilise to put employees in the best work positions, and arrange the optimal training for them to develop and grow. Knowing more data about employees, management can also make use of such information and data to plan and implement the optimal business goals and strategies. Ultimately, the PM system helps to build up and strengthen the human resource assets of the SMF to enhance their organisational capacity and competitive edge, which in return will help the SMF to cope with the challenges and difficulties they are facing now.

In view of the practical benefits of the PM system to the factory, this research project aims to study the implementation of change to effectively set up a PM system in SMF in the Pearl River Delta of China.

As discussed in the talk on _____, your factory will adopt *Kotter's 8-step Model on Change Management to execute the implementation of change to pilot launch a PM system. This pilot will last for 4 months, and will start around _____. For the research survey, a number of survey questionnaires are arranged before the pilot launch, during the pilot launch, and after the pilot launch. The questionnaires will gauge views and ideas of employees and management about:

a) the change to launch the PM system, and evaluation of the implementation success;
b) how far the fit of the change with the vision, mission and values of the factory enhances employee commitment to the change to launch the PM system; and
c) their job satisfaction.

For measurement of output enhancement by the PM system, your factory will provide [for both before as well as after the pilot launch of the PM system] the following in aggregate summarised data in which individuals are non-identifiable:

i) supervisors' overall evaluation of employee performance;
ii) labour productivity [in terms of total labour output divided by total labour input]; and
iii) employee turnover; and
iv) employee absenteeism.

All the above findings a) to c) from survey questionnaires and data i) to iv) will be reported in aggregate summaries in the research reports.

* The Model is from [*Kotter, J.P. (1998). 'Leading Change: Why Transformation Efforts Fail', Harvard Business Review on Change, A Harvard Business Review Paperback, 1-21*.]

The whole exercise will be treated in the strictest confidence. All information will be treated confidentially throughout the exercise. The names and positions of all participants in this research survey will remain anonymous, including in any published articles. Upon completion of the research survey, a copy of the survey results reported in aggregate summaries will be provided to your factory. All survey questionnaires, supervisors' evaluation of employee performance, data on labour productivity, employee turnover and absenteeism will be kept by me confidentially in a locked cabinet with a key in my house at Flat 1904, 19/F, Block D, Kornhill, 17-19 Hong Shing Street, Quarry Bay, Hong Kong for five years, then all the questionnaires and all documents of evaluation of employee performance, labour productivity, employee turnover and absenteeism will be destroyed. Nobody except me and my supervisor (Dr Davey Yeung) of this research study can have access to these data and documents. Under no circumstances will your name or your personal information be disclosed or identified in the survey results and reports, and the name of your factory will be remained anonymous throughout the research, including in any published articles.

The University of South Australia's Human Research Ethics Committee will review this study. Should you wish to discuss the project with someone not directly involved, in particular in relation to matters concerning policies, information about the conduct of the study, or your rights as a participant, please contact:

Dr Marguerite Kolar
DBA Programme Director
IGSB Human Research Ethics Committee
University of South Australia
GPO BOX 2471, Adelaide SA 5000
Email: Marguerite.Kolar@unisa.edu.au Tel:+61 8 8302 0430

Please complete the attached permission letter to allow me to conduct the survey research in your factory. Please send the permission letter to my address at Flat 1904, 19/F, Block D, Kornhill, 17-19 Hong Shing Street, Quarry Bay, Hong Kong by postal mail.

Thank you!

_____
(Mr Martie Kwok)

**Appendix 7**

*Form filled in by Factory Management on Aggregate Summary Data on Evaluation of Job Performance of Employees by Direct Supervisors, Labour Productivity of Employees, and Employee Turnover and Absenteeism*

From: _____

To: Mr Martie Kwok

Date: _____

I refer to your study of *Setting up Performance Management System in Factories in China to Enhance Output*. Here are data of staff **before / after*** the project to set up a performance management system in the factory：

**Please delete as appropriate.*

a) Evaluations of job performance of employees by direct supervisors [aggregate summarised data]

_____

b) Labour productivity of employees [total output divided by the labor input]

_____

c) Employee turnover and absenteeism rates [aggregate summarised data ]

i) Turnover Rate : _____

ii) Absenteeism Rate : _____

**Name:** ……..…….……

**Position**: ……..……

**Signed:** ……

**Company Chop:**

**Appendix 8**

*Vision, Mission and Values of Two Factories*

***Plastics Factory***

**Vision**

To gain win-win-win among customers, the company and suppliers for sustainable development of the company.

**Mission**

Fulfill customer needs and budget with reliable on-time delivery and proactive quality service.

**Values**

-Credibility
-Perseverance
-Rigourousness
-Righteousness

***Machinery Factory***

**Vision**

To become one of the best machinery manufacturers in China.

**Mission**

-Offer competitive cost to customers
-Achieve the best in quality
-Achieve the best in delivery

**Values**

-Credibility
-Benevolence
-Wisdom
-Courageousness

*Ways to promote VMV in the two factories*

***Both Factories***

- VMV are presented and explained to new recruits by supervisors.
- Supervisors refer to VMV from time to time in daily work with subordinates.
- Management refer to and emphasise VMV whenever there are gatherings and functions in which many staff attend.

***Plastics Factory***

- Talks and briefings on VMV are conducted. Stories embodying the VMV are shared in these talks and briefings.
- Competitions are held in which employees are encouraged to design slogans, posters and other publicity materials that embody the VMV. There are prizes for the winners.

***Machinery Factory***

- The GM conducts briefings and discussions with managers on ways to vividly interpret the VMV and how to promote the VMV.