

Human Resources Management in North America and China

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ABSTRACT

As a newly developed industry in China, the voice of human resource management should be more humanized emerges endlessly. As a developed country, the United States has a long history of human resources management. By studying the Human Resource, regime staged in different enterprises from U.S. and China to understand the strengths and weaknesses of human resource management in each country. This paper studies the history, development, and differences of HUMAN resource management in China and the United States through data collection, literature search, and case analysis. This research focused on understanding the gap in human resource management between the U.S. and China. And how should HRM develop in China?

Keywords: *corporate management, human resource management, humanized management*

1. INTRODUCTION

Human resource management is the practice of hiring and managing an organization's employees. It deals with issues related to benefits, employee motivation, training and performance management. Referring to different H.R. models, humanized management is often a hot topic in the current era. Humanized management emphasizes the humanity of employees and advocates people-oriented managerial strategies. It conceives the company as a big family and stresses the paternalist nature of the relationship between management and employees. (There is a positive relationship between high-performance work and organizational performance.

2. BACKGROUND

Human Resource management has been through a long history before it gets to the stage of maturity. Its development is deeply affected by all kinds of government policy, external market environment, and the internal environment of the companies. Enterprises, governments and NGOs all have H.R. problems. Especially for enterprises, different H.R. situations will have a significant impact on their development. Obviously, according to the type of enterprise, its own culture, regional background and other factors, different enterprises there are different H.R. models.

Human Resource management has existed in the form of labour management. Starting from the simple cooperation to the limited division of labour, and then to the professional division of work, the continuous refinement of the division of labour mode is lined up with the requirements of social and economic development (Kaufman 2008)[1]. From the tribal society to the industrial society to the mechanization age, the development of generations has constantly brought changes in the mode of division of labour.

At that time, it was mainly handicraft labour. The primary production process of goods was completed in the household. But with the occurrence of the first industrial revolution, which made a significant breakthrough to technological development, caused a substantial change in people's way of production (Zhao 2019)[9]. The production of large machines replaced traditional manual labour. The birth of the factory system has changed the employment relationship. Employees need to use devices to carry out professional production activities instead of traditional handicraft labour; It has effectively improved the factory's production efficiency.

As a developed country, the United States pays more attention to the quality and professionalism of employees in recruitment. At the same time, after being employed, the human resource department will provide pre-job training. In addition, some American enterprises prevent the phenomenon of employee shortage and actively

encourage employees to challenge new tasks in the process of development. In this way, employees can improve their proficiency and effectively meet their inner sense of accomplishment in the process of challenging new jobs. Besides the working environment, American enterprises attach great importance to the values and outlook on the life of employees, which can also stimulate the enthusiasm of employees in the process of working and achieving the enterprise's strategic goals (Liang 2012)[6].

In the 80 century, "Human Resource Management" was just introduced to Chinese people. People are still unfamiliar with the concept of human resource management, so scholars regard it as personnel management. In the early 1980s, China was still in the planned economy system, and the management of personnel belonged to the extensive administrative imperative management (Zeng 2004)[7]. People's understanding of human resource management was limited to the management of employees' knowledge. 1984 The State Council (interim Provisions on further expanding the autonomy of State-owned Industrial Enterprises) gives enterprises partial independence in personnel appointment and employment. Since 1992, enterprises have had more independence and are influenced by western HRM theories.

In the 21st century, under the enterprise competition pressure, human resources became the core resources, enterprises began to pay attention to talent training, the establishment of relatively mature recruitment systems, salary assessment systems, incentive systems (Zhao 2019)[9].

At present, Chinese scholars' research on human resource management is minimal. A few scholars, such as Zhao and Zhang, have studied the history and development of HUMAN resource management in China and the HUMAN resource management programs of leading companies in various industries. In contrast, most of the information about these companies comes from posts on the Internet. Because of humanized management and mature development of human resources management in the United States, the research of this area is wealthy, through human resource management (HRMS) against the United States for up to a quarter of a century of research, Randall and Susan learned that how companies across the country have begun to human resource management professionals as potential partners, participate in the company's strategic decision-making process. This paper briefly introduces the importance of international human resource

management. Kaufman analyzed human resource management in the early days of American industry. The history of HUMAN resource management in the United States is much longer than that in China.

2.1. STUDY1 America companies

2.1.1. Walmart

In 1962, Walmart was founded in a small town in the United States. 1991 Walmart became the first largest retail company in the United States. After 2001, The company ranked number one in Fortune Global 500, and its sales reached \$246.5 billion in 2002. To now, Walmart has become the world's largest chain retailer. At present, Wal-Mart has opened more than 7,000 shopping malls worldwide, with more than 1.9 million employees, all over 14 countries. About 1.76 billion customers visit Walmart every week. Walmart's unique advantage is its employee's dedication and team spirit. The human resource strategy of Walmart is similar to Google. They are all likely to retain talents, followed by finding potential skills and enhancing their potential. But Walmart did a better job handling employee relationships, unlike most of the company Walmart make their relationship between employees as a cooperate relation not an engagement by "Sharing Information". Sharing information and sharing responsibility is another important content that constitutes the Walmart partnership. It gives people a sense of responsibility and purpose of participation. Walmart will announce the profit, invoicing, sales and price reduction status of each store, not just published to the senior leader, but each store employee, even the part-time job worker. Although some information will flow into the company, Walmart believes that the benefits of employee sharing information are much greater than the negative impact of information disclosure to outsiders. So far, this did not damage Walmart at all. Walmart has said to their employees that "No matter what role you play you are the CEO of your job" (Gay 2015)[4].

2.1.2. Google

As a large company with 120,000 people, it is essential to prevent and manage those common problems for the enterprise. Google has a complete system, such as a perfect salary system, diversified welfare system and rich reward.

Google has an internal policy that when an office has more than 300 people, Google H.Q. will provide a free canteen for this office. Chefs working in Google has an annual salary of more than 400,000 RMB from years of cooking experience in state banquet breakfast and lunch for employees every day (Singh 2020)[3]. There is a sizeable open tea room on each floor of the Google office building where employees can enjoy snacks or drinks and fruits. There is a gym and yoga room on the second floor, where employees don't have to bring their workout outfits because Google provides free disposable clothes for employees. Every afternoon, there is a masseur invited from Long Island to help employees relax. Employees can make appointments if they feel like having a massage. That's not enough; every employee has a 360 degrees rotatable widescreen monitor of 21 inches. Everyone has ample office space, which they can decorate based on their preference. Google will provide funds for employees for office space decoration. Through this information, we can see Google's employer. To let employees regard the company as a home, let them consider the company as a familiar place, let teammate employees can release the maximum thinking empty Google attaches great importance to the feelings of employees. Google regards employees as "investments" and finds potential people in tens of thousands of resumes every year, then hires them and enhances their potential. Then do everything possible to keep them on Google. Let them play their strengths for the company and maximize their value in the company.

2.1.3. Marykay

Mary Kay Is an international American cosmetics company based by Mary Kay after her retirement. The secret of its success is its "family" management system. People are an essential thing in this company. They pride themselves on the "cohesiveness of people to the company" and know that caring for others is not incompatible with the pursuit of profit. Mary Kay believes that helping others is the most important motivation for starting a business. Her success is based on helping others. "The company structure is based on mutual help," says Mary. "To climb the ladder of success, everyone has to cooperate. A person who only thinks 'what can I get?' will not succeed. As long as you help other people get what they want, you will get what you want." It is Mary Kay's business creed to trust and respect every employee. She reminds all managers to pay attention to making each employee feel "important," which she believes inspires them to do better. A good

manager should constantly encourage and improve the self-esteem and morale of each subordinate, rather than blaming them for everything.

Human Resource management was very successful in western countries. Especially in high-tech enterprises, they have widely implemented the "people-oriented" management style. Their enterprises give talent with favourable material treatment and provide them with loose entrepreneurship and innovation environment. "Humanized management" has become the dominant management concept in western economics (Schuler 2005)[2].

Most companies put their employee in a higher position, and they organized the companies humanized. The quality of talents in the work of the enterprise is professional (Jiang 2012)[5]. The enterprise will create a good working environment for the employees, adopt the employees' opinions, meet with the management to communicate with the employees, and try to meet the employees' sense of accomplishment. There is a 360-degree survey in most enterprises to provide an opportunity to receive performance feedback from their supervisor and peers.

2.2. STUDY 2 Chinese companies

2.2.1. Huawei

Huawei was established in 1988, from a small company with a registered capital of only 20,000 yuan, less than 20 employees growing into a high-tech enterprise with 240,000 employees with more than 40 billion sales in a year. Huawei has become one of the leading enterprises in China's high-tech fields. Talent is the most critical part of the company, Professor Peng Jianfeng, Renmin University of China, believes that Huawei is one of the earliest Chinese enterprises that treat employees as a strategic resource. HUAWEI's presidents also proposed that employees are the first resource, and human capital is preferred in financial prosperity. Ren Zheng Fe had advanced awareness, but many Chinese companies still stay in the concept of human resources cost manipulation. One of the reasons for Huawei's success is that they have explored a system for accumulating high-tech talents. A strategy that can attract and retain talents can stimulate the potential of employees to establish a large-scale R&D team and gain the ability of independent R&D. But the system HUAWEI created was different from those U.S. companies.

More than 85 per cent of Huawei's 24,000 employees have a bachelor's degree or higher. However, HUAWEI still conducted systematic training for each employee. The training process of Huawei is a regenerative experience, and Huawei has formed its training system. Huawei has an online school, which trains its employees around the world through virtual schools. It is an integral part of Huawei' human resource management. The company sees training as an investment. Huawei spends hundreds of millions of yuan on employee training every year. And many Chinese companies don't even have employee training. The induction training is rigorous in Huawei. They have compiled their training materials, and after the training, there will be a strict assessment test. Only the employees who pass the assessment test are qualified to be employed. Most enterprises do not conduct examinations and evaluations after the orientation training, but Huawei attaches great importance to assessing training effectiveness. Many graduates call the experience purgatory, devil training. Huawei also conducts mandatory military training, whose primary purpose is to change the mental outlook of new employees and improve their sense of discipline and collectivism. The second point is to enhance the employee's sense of responsibility and the spirit of overcoming difficulties.

Such rigid management forms a sharp contrast with the management style of American enterprises. More young Chinese have become unmanageable in recent years due to open education and Internet culture. They have more choices and less pressure, and they are more rebellious than the older generation of employees. The younger generation of workers is more self-obsessed. Therefore, such rigid management is no longer enough for employees to meet the company's expectations. If the company makes employees unhappy, young employees will be more likely to quit rather than obey it. This has pushed Chinese business management to become more humane. To compete and get more talents, major enterprises began to try to imitate foreign human resource management systems to retain employees through incentives of welfare and remuneration. HUAWEI is not an exception. Therefore, Huawei has implemented a salary incentive system to recruit based on employees' responsibility and work attitude. At the same time, Huawei also has a unique approach - Equity incentive. But they use an inequitable way of equity distribution. Huawei will assess each person's equity quota every year, which is proportional to employees' contributions. In this way, they make employees

self-motivated and being positive at work. This is a kind of profit force. If the employees do not do their best to create good performance, the shares held by the employees will significantly shrink.

2.2.2. Pinduoduo

Pinduoduo is the pioneer of C2B social e-commerce. Users can buy high-quality goods in a group with friends, family at a lower price. The social concept formed through communication and sharing has made pinduoduo's unique new social e-commerce thinking. As a rising star in the e-commerce industry, Pinduoduo has developed rapidly in recent years, with a market value of more than \$100 billion. Pinduoduo has become the second-largest e-commerce platform in China after Alibaba, became the fourth largest Internet company in China after Tencent, Meituan and Alibaba.

The company is growing faster beyond our imagination. The rapid development and unpredictable changes make it very difficult for pinduoduo to work in human resources, especially in motivating employees. With the target of completing the KPI, Pinduoduo has set up an incentive system. Everyone gets two raises a year, in March and September. It all depends on the result of the KPI assessment. The salary increases start at about 20%, which is very generous. Pinduoduo has been studying and improving its corporate governance structure to promote pinduoduo to a higher level from the institutional level. The purpose of doing so is to ensure its core backbone and its interests through the partnership system. But Pinduoduo did not share their stock equity with every employee. Employees need to work in the company for seven years before getting the real equity incentive, two or three times longer than other companies. In this way, the equity incentive model is designed to reveal a message: the longer you work in Pinduoduo, the more you will gain. As a company that has been listed for only two years, pinduoduo's compensation system and talent development system are incompleting. Many employees who worked at Pinduoduo has innominate posted their views of Pinduoduo on social media. They pointed out that most employees work at least 14 hours a day. Pinduoduo did not follow the 996 policy (a work schedule spanning from 9 a.m. to 9 p.m., six days per week.) even they give overtime pay, but to work overtime is not what employees wanted. Pinduoduo's entry agreement stipulates that if an employee quits, they cannot work for another company in the same industry for one year. The purpose is to reduce the turnover rate. Still,

Pinduoduo does not make employees willing to stay by appeasement but restricts employees' freedom after leaving the company by agreements. There is another unusual method that Pinduoduo brings up to make sure their employees are focusing on the work. Pinduoduo monitors employees' time by making them sign in when they come to work and leave at the end of the day. They also have timekeeping in the bathroom to make sure employees do not loaf on the job. These policies are very dehumanizing. But employees still stay at Pinduoduo for the high salary.

3. CONCLUSION

American human resource management pays more attention to talent quality and professionalism. Delicate division of duties effectively improves work efficiency and reduces costs. The human resource department will also create rich conditions to attract talents. The incentive system will reasonably open the income gap of employees, creating a fair environment for all employees.

In the United States, most human resource management has a perfect promotion system. Still, such perfect rules and regulations quickly lead to unnecessary time for excellent employees to reach their corresponding positions.

The enterprise establishes stable and long-term OKR and KPI for employees. As a result, the target and pace of the enterprise cannot make the fastest response to the rapid change of the market, so the project progress is slow, and there is a risk of being eliminated by the market. Most of these enterprises have a complete competition system, but it is easy to lead to unnecessary time for excellent employees to reach the corresponding positions.

Human resource management can be flexible and actively respond to market changes in China, which is its advantage. Such flexibility can significantly improve productivity and efficiency. However, the non-standard management system and the behaviour of despising employees' lifelong career development plan also lead to the frequent job-hopping of employees and the volatile composition of employees in the enterprise (Law 2003)[8].

Many enterprises in China still adopt the traditional human resource management model. Most of them have adapted to this conventional model, and it is challenging for them to start a new management model. This old human resource management model cannot combine

human resource management with enterprise promotion, which significantly reduces the extent of enterprise promotion.

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