RESEARCH AND PRACTICE
IN HUMAN RESOURCE MANAGEMENT

Rodwell, J. J. & Teo, S. T. T. (2000). Approaches to HRM on the Pacific Rim: A Comparison across Ownership Categories in the Australian Hospitality Industry, *Research and Practice in Human Resource Management*, 8(1), 135-151.

Approaches to HRM on the Pacific Rim: A Comparison across Ownership Categories in the Australian Hospitality Industry

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ABSTRACT

This study examines the influence of region of ownership on the approach to HRM taken by firms. Various indicative elements of HRM such as philosophies, policies and practices are investigated within the Australian hospitality industry. Firms from different regions of the Pacific Rim employed distinctive HRM approaches. The Asian firms emphasise HRM philosophies, with other HRM elements adopted as felt appropriate. In contrast, the US firms were operationally sophisticated with an emphasis on harnessing their human resources. Finally, the Australian firms had a relatively basic approach to HRM. The distinctive emphasis on either information inclusion (Asian) or manifest rewards (US) may hightlight potential sources of competitive advantage that are difficult to imitate and therefore provide another tool in the repertoire of managers on the Pacific Rim.

INTRODUCTION

From the late 1970s until the late 1980s there was a strong &end of rapid growth in the labour market in the Australian tourism industry (Faulkner, 1990). Although the hospitality industry may have stagnated during the late 1980s-early 1990s recession it has recently experienced a period of growth. In 1995-96 the industry was responsible for the employment of around 694,000 people, or 8 percent of the workforce (DIST, 1998). Recent discussion of employment generation and future employment potential of the hospitality industry has identified a variety of management issues that are important in terms of policy and managerial decision making (e.g. Maull and Childe, 1994) and call for further study of contemporary management practices as they are applied in the industry (Ingram and Baldwin, 1996).

The hospitality industry has also seen rapid employment growth in recent years in Pacific Rim countries such as Singapore (Cheng and Brown, 1998) and other southeast Asian countries (Nankervis, 1995). several recent papers have called for researchers to study the nature of human resource management (HRM) and level of sophistication of HRM practices in the hospitality industry (e.g. Ingram and Baldwin, 1996). An important characteristic is that for many hospitality operators the primary source for enhancing competitiveness is through harnessing the organisation׳s human resources. Indeed, human resources have been proposed as one of the most important sources of competitive advantage in the modem global environment (Barney, 1991). In particular the nature of HRM on the Pacific Rim has been recognised as a key area of investigation (Haley, 1998; Twig and Shadur, 1997). A key force behind the examination and importance of approaches to HRM around the Pacific is the potential impact and competitive advantages that can be derived from host and parent country influences. The focus of this paper is therefore an analysis of the nature of HRM, as influenced by home country orientation in the hospitality industry.

The Nature of Human Resource Management

The importance of human resource management has been promoted by many best practice management studies (Dertouzos, et. al., 1989; Womack, Jones and Roos, 1990). The hotel industry has been described as perhaps the least advanced of all industries in its use and integration of modem human resource management activities (Nankervis, 1993). These studies have consistently emphasised the importance of the management of people as a crucial factor of success.

The importance of HRM, from a strategic perspective, to the management of HR is seen to be a source of competitive advantage (e.g. Huselid, Jackson and Schuler, 1997; Poole and Jenkins, 1996; Schuler, 1992). A strategic approach to HRM is generally characterised by linking the external and internal environment of the business to the management of HR (Baird and Meshoulam, 1988; Beer et al., 1984; Hendry and Pettigrew, 1986). These features emphasise the need to achieve consistency and complementarities among HR practices (Baird and Meshoulam, 1988; Baron and Kreps, 1999) including the uniformity of practices and treatment among individuals, continuity in HR philosophy and practice and technical complementarities among policies and practices (Baron and Kreps, 1999).

Schuler (1992) proposes that strategic HRM is about integrating people issues with the strategic needs of the business. Therefore, business strategies provide the foundation for HRM strategies, policies and processes to be linked. The elements of the HRM mix are the philosophy, policies, programs, practices and processes. First, philosophy, refers to the organisation attitude towards its human resources and the extent to which they contribute towards the success of the organisations. It is used as a guideline for formulating the necessary actions required to manage its HR strategically. Second, policies, are used to provide the link between the organisation's business needs and specific people related business issues. These issues are critical for the organisations as they impact on the short and long term aspects of people management relevant to the business. Third, programs are shaped by HR policies in an attempt to introduce organisational changes that are essential for meeting business needs. Fourth, HR practices are used to provide the motivation to match the specific role behaviour required to reinforce the desired performance. Finally, processes ensure that the HRM practices support the strategic business needs. When these elements are operationalised for the purposes of empirical research some of the elements can be grouped together. Further, due to the more specifically operational nature of the HRM programs, practices and processes the text below combines these elements under the most suggestive and appropriate label, for this study namely HRM practices.

This study takes the examination of approaches to HRM further by focussing on the HRM elements used at the workplace level, thereby investigating the HRM elements actually used, rather than those that may be espoused by the senior management. Examining the similarities and differences in HRM elements at the workplace level allows us to determine the elements that may be country or region specific and avoids the potential for any investigator-expectation bias where the participants give answers that they think the experimenter wants to hear. Such pressures may also come from the popular business press where managers may feel that they " should" be using the best practices purported by the literature. These biases are avoided and the basic benefits of focusing on HRM as it occurs in reality are obtained by studying HRM at the workplace level.

A key issue in the external environment is the possibility that factors from countries and cultures different from the host country may have an impact on the approach to HRM employed by the organisation. Multinational corporations (MNCs) need to develop multidimensional capabilities as a means of increasing their competitive advantage in the global arena (Bartlett and Ghoshal, 1987a; 1987b).

As a critical element of competitive advantage, especially within services industries (Arrowsmith and McGoldrick, 1996), HRM in the international context is important in the operations of MNCs (Schuler, Dowling and De Cieri 1993; Tung, 1990). The approach of the MNC to the management of their human resources ranges from ethnocentric through to geocentric (Perlmutter and Heenan, 1974). That is, the international HRM practices of the subsidiaries of the MNC reflect the degree of ethnocentricity in the operations of the firm (Dowling and Schuler, 1990). For example, Japanese organisations have been found to be more ethnocentric than UK and US firms (Kopp, 1994). However, more research needs to be undertaken that can enhance our understanding of how MNCs manage their human resources (Ferner, 1994; Schuler, Dowling and De Cieri, 1993; Welch, 1994).

Notably, the differences in HRM approaches between East and West have been the focus of a lot of attention, especially over the past two decades. However, two key issues within this field have yet to be

clearly proven. First, what are the distinguishing HRM approaches of companies across the regions of the pacific Rim? As noted above, studies have found differences in terms of " best practices" , but what about normal practices - the practices that form part of the HRM approach of the company? Once a practice has been noted as a best practice it can be mimicked and copied. If there were differences in the approach taken to HRM, then HRM elements that are more specific to the country or region should be evident and these elemnts should be harder to imitate due to their basis in the norms of the home country.

More specifically, research into the nature of HRM in MNCs needs to be conducted in the Asia Pacific. Despite the recent economic and organisational failures, the Pacific region remains crucial to the West for three primary reasons: the courses of self-renewing growth, the market potential that Asia offers Western manufacturers, and the alternative models of development and change that the Asia Pacific presents for global competition (Haley, 1998).

The ongoing interaction between Asian and Western cultures and practices is fertile ground for the investigation of HRM approaches. A special case of this interaction between Western and Asian influences is represented by the subsidiaries operating in Australia. As a country that is close to Asia in proximity, yet with Western institutions and government structures, Australia provides an interesting context for the study of the impact of a firm's home region on the HRM approaches of subsidiaries. The investigation of the practices which are characteristic of a country or region is based, in this study, on the elements of the HRM mix proposed by Schuler (1992), as briefly reviewed in the next section.

The Elements of HRM

HRM Philosophy The aspects of HRM philosophy that are examined here are those that reflect the organisation's attitude towards its human resources (following Schuler, 1992). The HRM philosophy of the organisation can often set the tone of HRM within the firm, as also reflected in the firm's policies and practices. The communication of these philosophies can be seen as a source of competitive advantage (Sparrow, Schuler and Jackson, 1994).

HRM Policies Similarly, studies examining the extent to which all employees are valued by the organisation are exemplified by the research into equal employment opportunity and affirmative action (EEO/AA) policies. A bleak picture has been painted in recent HRM studies about the effectiveness and accessibility of these policies in Australian and New Zealand organisations (e.g. Pringle and Tudhope, 1996). Perhaps the incorporation and institutionalisation of EEO/AA policies in an organisation may be an indicator of the extent to which all of the employees, their human resources are being harnessed by the firm. Subsequently, this proxy of (human) resource utilisation could be reflected in the approach to HRM taken by firms in the relatively labour-critical hospitality industry.

HRM Practices As demonstrated in Baron arid Kreps (1999) and Poole and Jenkins (1996) effective strategic HRM relies on choosing the right practices to achieve alignment with business strategies. Therefore, we have operationalised strategic HRM by focusing on the HR practices used to meet business needs in terms of staffing, appraising, compensating, developing and organising.

Staffing Organisational effectiveness depends on finding the right people in the right job at the right time (Bechet and Walker, 1993). The staffing practices of a firm are often inter-connected with the firm's HRM policies, especially when the staffing practices are examined in terms of EEO/AA policies as they are here.

Appraising It is not sufficient just to get the right person for the right job at the right time. It is also necessary to motivate them to ensure their performance is consistent with the long term needs of the business. Furthermore, performance management practices are essential in the strategic management of HR in the hospitality industry (Go, Monachello and Baum, 1996). Appraising includes performance appraisal activities and those dealing with communication and feedback between management and employees. Specifically, performance appraising practices that are efficient and effective, can influence service quality and productivity in the hospitality industry (Nankervis, 1995).

Compensating The compensation practices of the firm are important in creating and maintaining specific behaviour and performance outcomes from employees. Compensation practices are often essential in attracting and retaining those employees who are core to the business, especially in the hospitality industry (Cheng and Brown, 1998; Nankervis, 1995).

Developing HR development practices include those that focus on training (i.e. immediate concerns) and development (longer term). Recent studies into HRM practices have demonstrated that HR development

practices can be used to achieve organisational objectives (Nankervis, 1995) and can be a means to minimise staff turnover (Cheng and Brown, 1998). The HR development practices can also be used to narrow skills gaps and to conduct career planning.

Organising A recent emphasis in the literature on practices that reflect the organisation of HRM within the firm is included here as an extension of the common four HRM practices noted above. For example, employee empowerment is said to have much to offer hospitality organisations (Lashley, 1996). Similarly, studies have found that participation can have a statistically significant effect on performance, although the average size of this effect is small enough to raise concerns about its practical significance (Wagner, 1994). Teamwork has also been emphasised as a key feature of the flexible organization of the 1990s (Scully, Kirkpatrick and Locke, 1995). Despite these research findings, the Australian hotel industry has been described as perhaps the least advanced of all industries in its use and integration of modem HRM activities (Nankervis, 1993).

Together these HRM elements constitute the HRM approach used by the subsidiary. The elements of the firm's HRM approach are, in turn, shaped by host country norms and a subsidiary's parent country norms regarding their human resources. The business context and differences between the norms and practices of regions is represented in Figure 1. Less central characteristics of the parent country's approach to HRM are likely to be dominated and replaced by host country norms. The resultant range of practices used by a subsidiary are also, therefore, indicators of the characteristics of the parent country's culture and practices that are central to that country, whereby the parent country practices are not left to be dominated by the host country's norms and practices.

Figure 1
A model of the forces influencing the HRM approach of a subsidiary
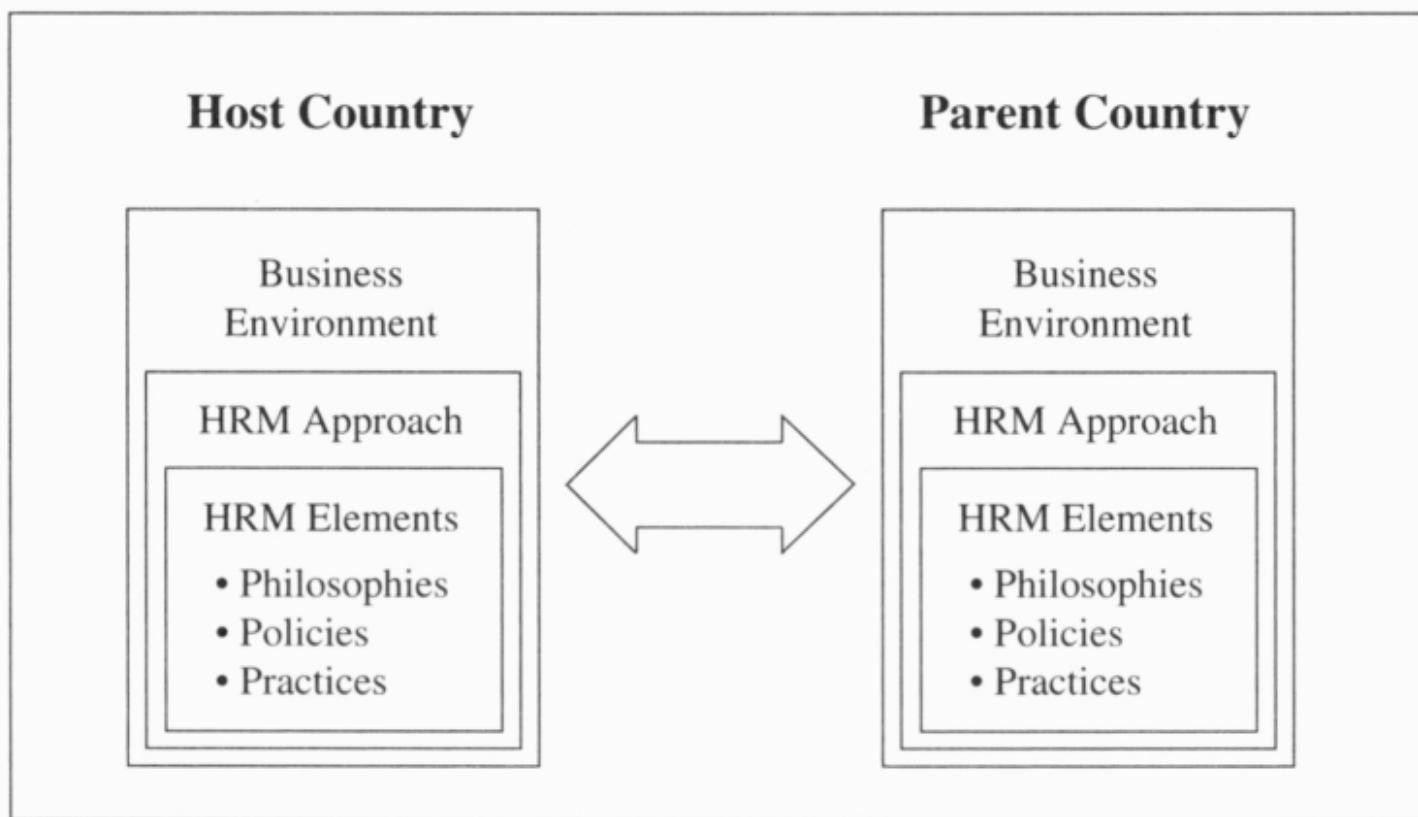
The aim of this study is to explore the approach to HRM taken by Pacific Rim organisations in the context of the Australian hospitality industry. By examining these differences, the key elements of each region's approach to HRM can be highlighted. The three approaches to HRM examined are the baseline group, Australian firms, firms with a US headquarters and firms with an Asian headquarters.

METHOD

Sample

The sample was drawn from the Australian Bureau of Statistics register of all establishments in Australia so as to be representative, by industry (excluding agriculture, forestry and fishing and defence), of the

economy for all workplaces with greater than 20 employees. The data is from the Australian Workplace Industrial Relations Survey conducted in 1995 (Morehead, Steele, Alexander, Stephen, and Duffin, 1997). The sampling frame for the workplace surveys was the Australian Bureau of Statistics Business Register. Workplaces were randomly chosen such that they would be representative of the industry across five size bands as part of a random stratified sample (Morehead et al., 1997). For each of the chosen workplaces the HRM manager or the manager with responsibility for HRM, sometimes a General Manager, was interviewed and asked the set, structured questions. The sample used in this research consists of the 43 private sector workplaces that had the Australia and New Zealand Standard Industry Classification of 57 - Accommodation, Cafes and Restaurants (Morehead et al., 1997).

Most of the external factors (as detailed by Jackson and Schuler, 1995) are controlled for in this study, and/or are grouped together at the broad level of the three categories, which are the three levels of the independent variable of country of ownership. That is, all of the firms are operating within the same legal, social and political environments, with relatively similar contexts in terms of host country culture and practices, namely the Australian environment. Similarly, the industry characteristics are controlled to one industry, an industry where HRM is important.

Measures

The dependent variables are presented here under the heading of HRM elements and the business environment covariates are presented under the heading of measures of the external environment. Together, these groups of variables will be tested across the independent variable of ownership category.

HRM Elements Each respondent scored yes or no to a question asking whether or not they had any of the following programs, policies or practices in place. For ease of analysis the questions have been grouped by the type of category they are most relevant to. Some of the questions could relate to more than one of the categories. However, the groups of questions used here are for ease of conceptual analysis. The items are grouped in terms of whether or not they are indicative of the firm's HRM philosophy, HRM policies, or HRM practices (staffing, appraising, compensating, developing and organising) of the firm.

The first group of questions reflected the HRM philosophy of the workplace. The questions assessed whether certain methods were currently used by management here to communicate with employees at this workplace? The methods included: Daily " walk around" the workplace by senior management, Suggestion schemes, Regular newsletters/staff bulletins distributed to all employees, and Regular formal meetings between managers and/or supervisors and employees. The managers were also asked whether the following practices were standard at the workplace: Regular meetings are held down the management line, Employees meet with supervisors regularly, and Employees meet with senior management more than once a year. Further, the HRM philosophy of the firm was seen to be reflected by the special measures used to provide information to employees that are part-time workers, shift workers or workers from a non English speaking background. The measures examined were: Meetings are held at times so everyone can attend them, Information is displayed on noticeboards, and Management inform staff.

The HRM policies of the firm were assessed by asking whether or not the firm had a written policy on equal employment opportunities or affirmative action? Similarly, the respondent was asked whether they had a specific written policy on sexual harassment? These policies are also integral to the staffing aspect of the firm's HRM practices.

The remaining HRM practices of the firm investigated here include questions assessing the appraising, compensating and developing aspects of HRM practices. The appraising practices examined were the presence or not of a staff appraisal/evaluation scheme, and whether staff appraisal is conducted more than once a year? Compensation practices examined include the use of a bonus scheme, and if the workplace had share ownership options for employees? The developmental aspect of HRM practice was assessed by asking whether or not the workplace had a skills audit system in place, and if there was a training scheme in place? A further two questions assessed whether, in terms of organising HRM, the firm had semi-autonomous work groups, and whether they used team building programs?

Similarly, the respondent was asked, again on a yes or no scale, whether, for most of the above questions, if the practice had been implemented in the last two years? The questions that were not asked the follow-up question were the standard practice and special measures questions reflecting the philosophy of the firm's HRM, the policies, whether staff appraisal was more than once a year, and the share ownership question.

Measures of the External Environment To allow for the impact of the external environment on the firm, the managers were also asked questions about the nature of their business environment. In particular, the managers were asked whether the demand for their product was seasonal (yes/no) and to rate the degree of competition present in their industry from 1, intense competition through to 5, limited competition.

RESULTS

The majority of the questions were tested using Chi-squared tests. All analyses were obtained using the Statistical Package for the Social Sciences. The key grouping variable, representing the Pacific Rim approaches, had sample sizes of 20, 13, and 10 for each of the Australian, US and Asian categories respectively, all operating in the Australian hospitality industry. A few of the variables had one or two cases fewer in a category, although the majority of cases were used for the majority of variables. Further, to ensure that the results below are not due to size, a cheek using oneway ANOVAs was conducted across the ownership groupings for the variables: current number of employees, and the number of employees a year ago. No significant differences in size were found for either test.

The first table reports the use of a range of contemporary practices across the categories. The use of a Skills Audit system was significantly lower in Asian and Australian firms relative to the US firms. Similarly, there was a tendency for US and Asian finns to use Bonus Schemes more than Australian firms. The results also highlight the large extent to which firms have high levels of practices such as a daily walk around by managers, regular meetings with managers and employees and staff appraisal schemes.

Table 1
Practices and programs curtent in place

Variable	Australian	US	Asian
Bonus scheme [t]	35	69	70
Daily walk around by managers	90	92	100
Regular meetings between managers arid employees	90	85	90
Semi-autonomous work groups	20	8	20
Skills audit *	20	54	0
Staff appraisal/eval. scheme	75	85	80
Staff newsletters/bulletins	30	69	90
Suggestion schemes	30	46	30
Team building	70	54	70
Training scheme	65	85	60

Note: * = $p<.05$, [t] = $p<.10$. All numbers are the percentage of firms that answered yes.

Table 2 examines the extent to which the above practices were implemented in the last two years by the firms. The US and Asian firms had only recently implemented their Bonus Scheme and tended to have only recently implemented their staff newsletters. Similarly, the US firms had only implemented their skills audit processes recently, unlike the Australian and Asian firms who, as presented above, had little usage of Skill Audit processes.

Table 2
The following programs were implemented in the workplace in the prior two years

Policy/Practice Implemented in the last two years	Australian	US	Asian
Bonus scheme *	25	69	60
Daily walk around by managers	32	8	11
Regular meetings between managers and employees *	53	15	11
Semi-autonomous work groups	15	15	20
Skills audit *	20	46	0
Staff appraisal/eval. scheme	55	62	60
Staff newsletters/bulletins [t]	5	38	33
Suggestion schemes	26	23	11
Team building	55	38	70
Training scheme	50	62	40

Note; * = $p<.05$, [t] = $p<.10$. All numbers are the percentage of firms that answered yes.

Further, the Australian workplaces had implemented their program of regular meetings between managers and employees only recently. Comparisons between Table 2 and Table 1 provide some indication of the recency of the practices examined. An unusual result was that more US firms had implemented semi-autonomous workgroups in the last two years (15%) than had those groups in place (8%). However, both levels are consistently low. Most of the practices in place appear to have been implemented recently, with the exception of the practice of the daily walk around by managers, which appears to have been implemented some time ago consistently across categories.

The final table of results presents the levels of use for key policies and involvement practices across the categories. The US and Asian firms had higher levels of written policies on sexual harassment and meetings held when everyone can attend, than the Australian firms.

Table 3
Policies and Involvement practices that reflect the HRM philosophy

Variable	Australian	US	Asian
Written policy on EEO/AA	40	15	20
Written policy on sexual harassment *	50	92	90
Work eval/appraisal more than once/year ^{t}	30	8	0
Meetings held when everyone can attend *	6	50	71
Information displayed on noticeboards	39	70	43
Management inform staff	6	20	0
Regular meetings down management line	67	82	67
Employees meet with supervisors regularly *	17	45	78
Employees meet with senior management more than once a year	50	64	56
Share/ownership options for employees *	5	38	0
Seasonal demand for product *	55	23	20

Note: * = p<.05, ^{t} = p<.10. All numbers are the percentage of firms that answered yes.

The variables included to monitor the impact of external factors were both significant. Australian firms had a more seasonal demand for their product than either the US or Asian firms. Further, while all firms said that the degree of competition in their industry was at least reasonably competitive, an analysis of variance, with a Bonferroni post hoc test, showed that the Australian firms rated the degree of competition they faced as being significantly more competitive (mean 1.47, standard deviation (SD) = 0.61) than the US firms (mean = 2.77, SD = 1.01), while the Asian firms were also seen to have a competitive environment (mean = 2.10, SD = 1.29).

DISCUSSION

The results above provide evidence of approaches to HRM that vary between the general Pacific Rim categories. Each of the groups is examined in detail and then similarities and differences between the three groups are examined.

The US firms were distinguished by their having bonus schemes in place, skill audit systems, a written policy on sexual harassment, and share ownership options for employees. Even though the bonus schemes and skill audit systems had only been introduced in the prior two years, the US firms had been practicing regular meetings between senior managers and employees for longer than the Australian firms. In general, the US firms had an approach to HRM that was more sophisticated than the other two categories at that time, especially relative to the Australian firms. Conversely, the US group tended to have only recently introduced the newsletters present and had a tendency not to have work evaluations more than once a year.

Many of the characteristics that were significant in the results above are similar between the Asian and US firms. In particular, the Asian firms also had bonus schemes in place, albeit recently introduced, had been having regular meetings between senior managers and staff for some time, and a written policy on sexual harassment. However, the Asian firms were distinguished by their holding meetings when everyone can attend and that employees meet with supervisors regularly. Conversely, the Asian firms had no use of skills audits, did not undertake work evaluations more than once a year, did not allow share options for employees, and, as with the US firms, tended to have only recently introduced the newsletter schemes, when present.

The third group, the Australian firms, were characterised by their recent introduction of regular meetings

between senior managers and employees, and their use of work evaluations more than once a year. Notably, across the majority of variables examined here, especially those that characterised the other groups' approaches, the Australian firms had relatively lower levels of use of many of the HRM policies and practices. The Australian firms had low levels of use of bonus schemes, skills audits, meetings held when everyone can attend, and few offered share ownership to employees.

Each of these key results are summarised in Table 4, in terms of the HRM elements (philosophy, policies and practices) that constitute the HRM approach of the firm. The Asian firms were the only group that were distinguished by issues that reflected the HRM philosophy of the firm. The philosophy characteristics appear to emphasise the inclusion of the employee in the information distribution processes. Another possible explanation for this finding is related to the management philosophy adopted by Asian firms in general, in that they place more emphasis on human resources as an asset supporting the findings of Haley (1998) and Tung and Shadur (1997).

Both the US and Asian firms commonly had sexual harassment policies, in contrast to the Australian firms. For policies in general, all firms had similar, albeit low to moderate, use of a written policy on EEO/AA. These findings occur despite the legislated requirements placed upon firms in Australia to have EEO policies. Most notably, the lack of a sexual harassment policy and the lack of written EEO/AA policies in Australian firms appears to indicate that the Australian firms are operating in an old-fashioned mode and are not harnessing, or recognising, all of their human resources and are subsequently not fully utilising their human resources.

The final set of HRM elements, the HRM practices, that distinguish the groups are few. The Australian firms had more frequent evaluations, the Asian firms had recently introduced bonus schemes and the US firms had recently introduced bonus schemes, skills audits and share ownership schemes. The US firms have the most HRM practices in Table 4 and the practices appear to emphasise the compensation of employees, or perhaps the management of the employees through manifest (e.g. monetary) involvement.

The business environment faced by the US and Asian finns is more munificent than that facing the Australian group of firms. The influence of the business environment on the HRM elements of the groups can be seen in their overall HRM approach.

Table 4
The significant characteristics that distinguish between the three groups

HRM Element	Australia	US	Asian
HRM Philosophy	(The meetings with senior managers were only recently introduced)	Nil	Employees meet with supervisors regularly, meetings held when everyone can attend
HRM Policies	Lack of sexual harassment policy	Sexual harassment	Sexual harassment
HRM Practices	Work evaluation more than once a year	Bonus Scheme (recent), Skills Audit (recent), Share ownership	Bonus Scheme (recent)
Business Environment	Seasonal Demand, Very Competitive	Non-seasonal Demand, Competitive	Non-seasonal Demand, Competitive
Basis of HRM Approach	Market forces	Harnessing human resources through analysis combined with manifest reward	Information distribution
HRM Approach	Basic	Operationally sophisticated	Adapted Philosophical

The US firms are labeled as operationally sophisticated because although they had no distinguishing HRM philosophy characteristics, they were characterised by operational elements that were well-developed and more extensive. Overall, the US firms appear to approach HRM by valuing their employees as a "resource". The context of a stable and relatively less competitive environment may be either the result or cause of the emphasis on an operationally sophisticated HRM approach.

For example, if the firm chose the environment within the industry that is more munificent, they may have felt that it is not as necessary that HRM be considered at the broader, more philosophical level. The HRM focus then is that the firm's resources be harnessed as best as possible. The emphasis on harnessing the human resources of the firm is also congruent with the proposal that, in such a relatively stable segment of the hospitality environment, the firm does not need to be sophisticated with all of the elements of their

HRM approach and can therefore focus their efforts at one level.

In contrast to the US firms, the Asian firms emphasise HRM philosophies as the key in their stable environment, although they have adopted some of the other HRM elements as they felt appropriate (i.e. "adapted" elements). Again, whether primacy is given to the firm, or its environment, the emphasis on one strata of the HRM elements could be simply a different point of leverage to that of the US firms.

Finally, there is the relatively basic and non-distinctive HRM approach employed by the Australian firms. Perhaps the basic approach taken by the Australian firms is a reflection of their business environment. That is, they may perceive that they simply do not have the "luxury" of implementing HRM philosophies, policies and practices that go beyond that needed to survive in their competitive environment. Further, the relatively seasonal nature of their environment means that investing in practices such as skill audits may be less useful, given that the assessed employees are quite likely to move on.

Conclusion

This study found that firms from different regions of the Pacific Rim employed distinctive HRM approaches. The results reported here have some similarities to the findings of previous studies (e.g. Cheng and Brown, 1998; Nankervis, 1995), and there was some evidence to support the adoption of a strategic approach to HRM in the Australian hospitality industry. The Australian firms had a relatively basic approach to HRM. The operationally sophisticated approach to HRM of the US firms and the adapted philosophical HRM approach of the Asian firms appear to go beyond the basic approach of the Australian firms. Subsequently, this study is a contribution toward answering Jackson and Schuler's (1995) request for research on the nature of the elements of HRM, as influenced by the country of ownership of the firm, within similar broad environments (i.e. the Australian hospitality industry).

It is not clear as to whether the HRM approaches of the three respective groups were adopted because of the degree of competition in their environment, or whether the more stable business environment was chosen by the firm so as to allow the firm to focus on one or other element of HRM. Future research may wish to examine the causal order of these factors, although for the moment, it is noteworthy that distinctive approaches to HRM for each of the groups were found at all.

The key differences between regions found in this study highlight an emphasis on the philosophy of HRM by Asian firms, an emphasis on the integrated analysis and rewarding of employees by the US firms and the impact of the business environment on the basic HRM approach of the Australian firms. The finding that respective regions emphasised either information inclusion or manifest rewards may highlight potential sources of competitive advantage. That is, it does appear that in terms of their approach to HRM, regions have a differentiating characteristic that should be harder to imitate due to its basis in the norms of the home region.

The practical ramifications of this study include a recognition that firms often have a HRM approach and that their approach will give emphasis to certain of the HRM elements. The Australian managers in particular may want to consider more thoroughly the HRM elements and approach that they employ. All in all, the nature of HRM is varied and multi-faceted, yet the approach to HRM adopted by managers is another tool in their competitive repertoire.

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