

**Evolution and Development of Human Resource Management
in Vietnam**

Thi Ngoc Diep Nguyen

A thesis submitted to
Auckland University of Technology
in fulfilment for the requirements for the degree of
Doctor of Philosophy (PhD)

2016

Faculty of Business, Economics and Law

Primary Supervisor

Professor Stephen Teo

Secondary Supervisor

Dr. Marcus Ho

Third Supervisor

Professor Felix Tan

TABLE OF CONTENTS

LIST OF TABLES	VII
LIST OF FIGURES	IX
ABBREVIATIONS	X
STATEMENT OF AUTHENTICATION.....	XII
ACKNOWLEDGEMENTS.....	XV
THESIS ABSTRACT	XVII
CHAPTER 1 – INTRODUCTION	1
1.1. Brief Historical Background of HRM in Western Economies.....	1
1.2. Interest in Research on HRM in Vietnam.....	4
1.3. Rationale of this Doctoral Thesis	8
1.4. Research Objectives	12
1.5. Significance of this Doctoral Thesis	13
1.6. Research Scope	16
1.7. Key Definitions	16
1.8. Research Questions and Research Design	22
1.9. Structure of this Doctoral Thesis.....	30
CHAPTER 2 – LITERATURE REVIEW	33
2.1. Introduction	33
2.2. Brief History of Human Resource Management Evolution.....	34
2.2.1. Traditional Personnel Management Function	34
2.2.2. Personnel Management Function	35
2.2.3. Human Resource Management Function	37
2.2.3.1. Definition of Human Resource Management	37

2.2.3.2. Models of Human Resource Management	39
2.2.4. Strategic Human Resource Management Function	44
2.3. The Transformation of the HR department's Roles and Status	49
2.4. Theoretical Approaches in Research on HRM Effectiveness	56
2.4.1. Universalistic Approach	56
2.4.2. Contingency Theory	58
2.4.3. Institutional Theory	61
2.4.4. Theory of Power and Influence of the HR Department	67
2.5. Overview of the Research Context	71
2.5.1. A Brief of History of Vietnam	72
2.5.2. Development of the Vietnamese Economy	73
2.5.3. Educational Context of Vietnam	76
2.5.4. Vietnamese Cultural Values on Management Practices.....	78
2.5.5. Summary	80
2.6. The Development of Research Questions	81
2.7. Summary of Chapter 2	86
CHAPTER 3 – RESEARCH DESIGN.....	89
3.1. Introduction	89
3.2. Ontological and Epistemological Considerations	89
3.3. Research Design.....	92
3.3.1. Positivist Considerations	92
3.3.2. Brief Introduction to the Four Studies.....	93
3.3.3. Timeline and Sequencing of Data Collection.....	97
3.3.4. Perspectives of Positivism in Methodology	97
3.3.4.1. Systematic Review with the Application of Content Analysis Approach	97
3.3.4.2. Critical Issues in Quantitative Methods.....	102

3.3.4.2.1. The Use of Surveys	102
3.3.4.2.2. Choice of Research Instruments in Quantitative Studies.....	104
3.3.4.2.3. Semi-structured In-depth Interviews.....	105
Research Informants in Interviews.....	106
The Interview Process	110
3.3.4.2.4. Research Informants in Main Studies	110
3.3.4.2.5. Data Analysis using the SEM Approach	111
Normality Distribution Issue	112
Analytic Techniques.....	113
The Issue of Overall Model Fit Measures.....	115
Common Method Bias	117
3.4. Ethical Considerations	118
3.5. Summary of Chapter 3	118
CHAPTER 4/ PAPER 1 – DEVELOPMENT OF HUMAN RESOURCE	
MANAGEMENT IN VIETNAM: A SEMANTIC ANALYSIS.....	120
Abstract	120
Introduction	121
Literature review	124
Methodology	129
Results	132
Discussion and implications.....	154
Conclusion	163
References	164
Appendix	173
CHAPTER 5/ PAPER 2 – PERCEIVED FORMAL AUTHORITY AND THE	
EFFECTIVENESS OF THE HR DEPARTMENT IN VIETNAM.....	183

Abstract	183
Introduction	184
Literature review	186
Methodology	192
Findings.....	201
Discussion and implications.....	209
Conclusion	214
References	215
CHAPTER 6/ PAPER 3 – ORGANIZATION’S HR ORIENTATIONS AND THE EFFECTIVENESS OF THE HR DEPARTMENT IN VIETNAM.....	225
Abstract	225
Introduction	226
Theoretical Background and Hypotheses.....	228
Methodology	240
Results.....	250
Discussion and Implications	258
Conclusion	264
References	265
CHAPTER 7/ PAPER 4 – LINE MANAGERS’ PERCEPTIONS OF HR DEPARTMENT EFFECTIVENESS AND ORGANIZATIONAL PERFORMANCE IN VIETNAM	278
Abstract	278
Introduction	279
Literature Background	282
Methodology	294
Results.....	302

Discussion and Implications	307
Conclusion	314
References	315
CHAPTER 8 – CONCLUSION	326
8.1. Review	326
8.2. Summary of Research Questions and Research Objectives.....	326
8.3. Summary of the Research Findings	328
8.4. Theoretical Contributions.....	333
8.4.1. A Systematic Understanding of HRM Development in Vietnam	334
8.4.2. Antecedents and Consequences of the HR Department’s Effectiveness	335
8.4.3. Sectorial Differences between Public and Private Sector Organisations	339
8.5. Managerial Implications.....	341
8.5.1. Implications for HR practitioners.....	342
8.5.1.1. Knowledge of External Context of Organisations.....	342
8.5.1.2. Roles of the HR Department.....	343
8.5.1.3. Implications for HR Practitioners to Increase Power and Influence	343
Implications for Public Sector HR Practitioners.....	344
Implications for Private Sector HR Practitioners.....	345
Skills for Becoming a Business Partner.....	346
8.5.2. Implications for Line Managers	347
8.6. Limitations and Future Research Implications	348
8.6.1. Sources of Studies on HRM in Vietnam	348
8.6.2. Research Design	348
8.6.3. Sources of Respondents and Research Instruments	350
8.6.3.1. Sources of Respondents.....	350
8.6.3.2. Research Instruments.....	352

8.7. Summary	354
References of the Thesis	355
APPENDICES	400

LIST OF TABLES

Chapter 1

Table 1. Summary of the Four Studies in this Doctoral Thesis	29
--	----

Chapter 2

Table 1. Distinct Characteristics of Personnel Management and HRM	43
---	----

Table 2. Number of Enterprises by Ownership in Vietnam from 2008 to 2010.....	74
---	----

Chapter 3

Table 1. Summary of the Four Research Studies	95
---	----

Table 2. List of Participations in Pilot Studies and Demographic Information.....	109
---	-----

Chapter 4/ Paper 1

Table 1 Ranked concepts for categories (1984–2013).....	141
---	-----

Table 2 Example of contextual underpinnings of the data.....	143
--	-----

Table 3 Methods and theories applied in previous studies	150
--	-----

Chapter 5/ Paper 2

Table 1. Model fit indices	200
----------------------------------	-----

Table 2. Descriptive statistics and correlations of latent constructs	202
---	-----

Table 3. Results of multi-group analysis	204
--	-----

Table 4. Results of mediation effects of strategic involvement in public sector organizations	205
---	-----

Table 5. Results of multiple linear regression analysis and analyses of mediating effects in sample 2	208
---	-----

Chapter 6/ Paper 3

Table 1. Analysis of Measurement Models in Sample 1	248
---	-----

Table 2. Comparison of Goodness of Fit between Model 1 and Alternative Models.....	249
--	-----

Table 3. Descriptive Statistics and Correlations of Latent Variables	252
--	-----

Table 4. Results of Mediation Tests on <i>AMOS ver22</i>	254
Table 5. Results of Multiple Group Analysis	256
Table 6. Results of Path Analysis in Sample 2	257

Chapter 7/ Paper 4

Table 1. Comparison of Goodness of Fit between Model 1 and Alternative Models.....	301
Table 2. Descriptive Statistics and Correlation Matrix Between Latent Variables	303

LIST OF FIGURES

Chapter 3

Figure 1. Timeline and Sequencing of Data Collection from 2013 to 201597

Chapter 4/ Paper 1

Fig. 1 Concept map of HRM research in Vietnam (1984–2013)..... 134

Fig. 2 The connection between the most prominent concept, *HRM*, with the others identified by Leximancer 137

Fig. 3 Quadrant report by decades (1984–2013)..... 139

Fig. 4 Embeddedness of contextual environment of HRM evolution in Vietnam..... 148

Chapter 5/ Paper 2

Figure 1. Proposed model of the study 191

Figure 2. Results of path analysis 203

Chapter 6/ Paper 3

Figure 1. Proposed Model of the Study 240

Figure 2. Results of Path Analysis of Proposed Model in Sample 1 253

Chapter 7/ Paper 4

Figure 1. Proposed Research Model of the Study..... 293

Figure 2. Results of Path Analysis 304

Figure 3. Moderating Effect of Breadth Strategy in the Relationship between the Effectiveness of HR Roles and Strategic Involvement of the HR Department 305

Figure 4. Moderating Effect of Breadth Strategy in the Relationship between the Effectiveness of HR Roles and the HR Department’s Influence 306

Figure 5. Moderating Effect of Innovation Strategy in the Relationship between the Effectiveness of HR Roles and the HR Department’s Effectiveness..... 306

Chapter 8

Figure 1. Antecedents and Consequences of HR Department Effectiveness 332

ABBREVIATIONS

AAPOR	American Association for Public Opinion Research
A.D.	anno Domini
AIC	Akaike information criterion
AVE	average variance extracted
BCE	before the common era
BIC	Bayesian information criterion
CAIC	consistent AIC
CE	common era
CEO	chief executive officer
CFA	confirmatory factor analysis
CFI	comparative fit index
CR	composite reliability
DF	degree of freedom
EFA	exploratory factor analysis
FDI	foreign direction investments
FOEs	foreign-owned enterprises
HR	human resource
HRM	human resource management
IR	industrial relations
JVs	joint ventures
LLCI	lower level of confidence intervals
MNCs	multinational companies
OCE	organisation's commitment to employees
PLS	partial least squares
PM	personnel management

POEs	privately owned enterprises
RBV	resource-based view
RMSEA	root mean square error of approximation
SD	standard deviation
SEM	structural equation modelling
SHRM	strategic human resource management
SMEs	small and medium-size enterprises
SOEs	state-owned enterprises
SRMR	standardised root mean square residual
TLI	Tucker-Lewis index
ULCI	upper level of confidence intervals
WTO	World Trade Organization
χ^2	chi-square
α	Cronbach alpha

STATEMENT OF AUTHENTICATION

Attestation of Authorship

I hereby declare that the work presented in this doctoral thesis is my original work, to the best of my knowledge and belief, containing primary data collected by me. This doctoral thesis includes four papers written by me and co-authors previously presented at conferences and soon to be published in journals. The four papers of this doctoral thesis contain no material that to an extensive degree has been submitted for any other degree at any other university or academic institution of higher learning.

Co-Authored Works

This is a pathway 2 thesis by publications. Therefore, this thesis includes four papers that were my own work with the joint authorship with my supervisors at AUT University in New Zealand, RMIT University in Australia, and an HRM scholar from the University of Victoria, Canada. The following presentations and papers relate to the work undertaken for this thesis:

- Nguyen, D., Teo, S. & Ho, M. (2016). Development of Human Resource Management in Vietnam: A Semantic Analysis. Manuscript under review on *Asia Pacific Journal of Management* (revise and resubmit). This refereed paper (blind review) was presented at ANZAM conference, 4–6 December 2013, Hobart, Australia.
- Nguyen, D., Teo, S. & Ho, M. (2016, September). Perceived Formal Authority and the Effectiveness of the HR Department in Vietnam. Refereed conference paper (blind review) was presented at the British Academy of Management conference, 6–8 September 2016, Newcastle upon Tyne, United Kingdom.
- Nguyen, D., Teo, S. & Ho, M. (2016, February). HR Orientations and HR Department Effectiveness in Vietnam. Refereed conference paper (blind review)

was presented at the Second Human Resource Division International Conference, 20–22 February 2016, Sydney, Australia.

- Nguyen, D., Teo, S. & Galang, M. C. (2015, June). Line Managers' Perceptions of HR Department Effectiveness and Organizational Performance in Vietnam. Refereed conference paper (blind review) was presented at the Asia Academy of Management conference, 22–24 June 2015, Hong Kong, China.

I hereby declare that in all four papers I was the principal author. I was responsible for the literature review, research design, data collection including pilot studies and main studies, data analysis, writing full papers, and presenting papers at the conferences. My primary supervisor was the second author. His duties were to advise me on research design and data analyses (e.g., instructing me how to use statistical software for data analysis), supervise the processes of data collection and data analysis, and to revise the final written papers. My secondary supervisor was the last author in paper 1, paper 2, and paper 3. His tasks were to guide me on how to use Leximancer software (in paper 1) and to provide feedback on paper structures. The last author in paper 4 was from the University of Victoria, Canada. She was one of two HRM scholars who developed the theory of power and influence of the HR department which I applied in paper 4 and the theoretical framework used in this thesis. Thus, her contribution was to advise me on my understanding of the theory and to give me feedback on how to revise that paper.

Candidate contributions to co-authored papers

<p>Chapter 4 – Paper 1</p> <p>Nguyen, D., Teo, S. & Ho, M. (2016). Development of Human Resource Management in Vietnam: A Semantic Analysis. Manuscript under review for the <i>Asia Pacific Journal of Management</i> (revise and resubmit). This refereed paper (blind review) was presented at the ANZAM conference, 4–6 December 2013, Hobart, Australia.</p>	<p>Nguyen 80%</p> <p>Ho 15%</p> <p>Teo 5%</p>
<p>Chapter 5 – Paper 2</p> <p>Nguyen, D., Teo, S. & Ho, M. (2016, September). Perceived Formal Authority and the Effectiveness of the HR Department in Vietnam. This refereed conference paper was accepted at the British Academy of Management conference, 6–8 September 2016, Newcastle upon Tyne, United Kingdom.</p>	<p>Nguyen 80%</p> <p>Teo 15%</p> <p>Ho 5%</p>
<p>Chapter 6 – Paper 3</p> <p>Nguyen, D., Teo, S. & Ho, M. (2016, February). HR Orientations and HR Department Effectiveness in Vietnam. This refereed conference paper was presented at the Second Human Resource Division International Conference, 20–22 February 2016, Sydney, Australia.</p>	<p>Nguyen 80%</p> <p>Teo 15%</p> <p>Ho 5%</p>
<p>Chapter 7 – Paper 4</p> <p>Nguyen, D., Teo, S. & Galang, C. (2015, June). Line Managers’ Perceptions of HR department Effectiveness and Organizational Performance in Vietnam. This refereed conference paper was presented at the Asia Academy of Management conference, 22–24 June 2015, Hong Kong, China.</p>	<p>Nguyen 80%</p> <p>Teo 15%</p> <p>Galang 5%</p>



Diep Nguyen



Stephen Teo



Marcus Ho



Carmen Galang

ACKNOWLEDGEMENTS

This doctoral thesis could not have been finished without the support, persuasion, and guidance of numerous persons and organisations. In particular, I would like to express my deepest gratefulness to Professor Stephen Teo who has given me great advice, ongoing guidance, and conscientious supervision as well as other ways of continuous support beyond his professional academic duties. I also thank Dr Marcus Ho for his academic and administrative support as well as his willingness, patience, and generosity. I would like to thank the AUT Ethics Committees for giving me approval to do this thesis. My sincere thanks also go to Associate Professor Maria Carmen Galang from the University of Victoria in Canada for her contribution in Paper 4. I would like to send my thank you to Professor Felix Tan, Dr Andy Godfrey, Ms Eathar Abdul-Ghani, Ms Carole Young, and other AUT colleagues for offering me an effective supportive environment at AUT.

I also thank Professor Yvonne Brunetto from Southern Cross University, Professor Jarrod Harr from AUT University, Professor Steven Grover from the University of Otago, Associate Professor Julia Connell from the University of Technology Sydney, Associate Professor David Pick from Curtin University, Dr Christine Soo from the University of Western Australia, and Dr Subra Ananthram from Curtin University for giving me comments and advice on my paper order. I would like to send my thank you to Professor David Guest from King's College London for giving me comments on my paper 2 at the 2nd HRIC Conference 2016. I would like to thank Associate Professor Elaine Farndale from Pennsylvania State University for giving my comments and suggestions on my paper 3 at the 2nd HRIC Conference 2016.

I also would like to thank my house owners in Auckland, Sashika Abeydeera and Katrin Schaefer who are my good PhD fellows from AUT, my other friends in New Zealand, and colleagues from the Department of Management at the University of

Economics Ho Chi Minh City, Vietnam, for their encouragement during the time I have been doing my PhD. I am also grateful for academics from different universities, and HR and line managers from various organisations in Vietnam who have assisted me in the in-depth interviews, pilot studies, and main studies. I would like to acknowledge Ms Elizabeth Ardley for her professional editorial assistance, and Liz Stone for her proofreading services. I also thank my special friends including Jack, Willie, and TJ for giving me a lot of fun and new experiences when I felt tired.

Last but not least, I would like to send my sincere gratefulness to my parents in Vietnam. This thesis is dedicated to them and my wonderful family members in Vietnam who love me unconditionally and who have supported me spiritually throughout my doctoral research and in my life in general.

THESIS ABSTRACT

Studies of the evolution of human resource management (HRM) within Western contexts of industrial changes and economic developments have revealed particular nuances and idiosyncrasies in the transformation of the HR department's roles and status. However, little research has been done to systematically examine the current state of HRM in developing economies. Simultaneously, little has been written about the determinants and contribution of HR department effectiveness in developing settings. The current thesis bridged these research gaps through the four related studies.

Study 1 utilised an institutional lens to conduct a content analysis approach to examine the development of HRM in Vietnam. Leximancer technique was used to analyse a collection of 100 published journal articles on HRM in Vietnam from 1983 to 2013. The contribution of Study 1 is a systematic and semantic understanding of HRM development in Vietnam which has not been examined previously. The findings showed that the development of HRM in Vietnam has been associated with key stages of economic development. Study 1 also showed the integration of personnel management, HRM, and SHRM in Vietnam. Findings in Study 1 played a fundamental role in examining antecedents and consequences of the HR department's effectiveness in response to the scarcity of research on this topic in Western and Vietnamese literature.

Study 2 was based on the existing literature pertaining to power and influence of the HR department and institutional theory in human resources. Study 2 examined the impact of formal authority on the perceptions of HR department effectiveness. Study 2 obtained a sample of 405 line managers' responses and a separate sample of 155 line managers to test and validate the proposed model. Structural equation modelling (SEM) and multiple linear regressions were utilised to analyse the data. Multiple group analysis in SEM was also undertaken. Study 2 contributed empirical evidence to the literature by showing that formal authority is an important condition for the HR department to be

recognised as effective in Vietnam's public sector organisations. Thus, the public sector HR department needs to consider political and influencing skills to increase its impact. By contrast, Study 2 also found that the absence of the HR department's formal authority in Vietnam's private sector organisations highlights its ability to develop a partnership with line managers and transfer HRM activities to these counterparts.

Study 3 extended the perspective of power and influence of the HR department to examine the effect of an organisation's HR orientations on the implementation of HRM. Two separate samples of 405 and 192 line managers were used to test and confirm the research findings. SEM and partial least squares were employed in the analysis. Study 3 added to the perspective of a strong HRM system by providing empirical evidence of the consistency of an organisation's HR emphasis with strategic HRM orientation and implemented HR practices. This consistency affected line managers' perceptions of HR department effectiveness. Multiple group analysis affirmed that ownership types have significant influences on HRM implementation and HR department effectiveness.

Study 4 investigated the impact of an organisation's strategic orientations on the roles and status of the HR department. SEM was used to test the hypothesised model with a sample of 484 line managers. Study 4 highlighted the importance of strategic orientations in influencing line managers' perceptions of HR department effectiveness. Importantly, when the HR department does not perform effectively its HR roles, strategic orientations are a means for the HR department to enhance its effectiveness. Study 4 also found that line managers hold positive perceptions of the strategic contribution of the HR department. This is opposite to findings of prior studies, and so this study makes a significant contribution to Vietnamese literature on HRM.

Key words: power and influence of HR department, HR department's effectiveness, Vietnam

CHAPTER 1

INTRODUCTION

The purpose of Chapter 1 is to introduce the literature background on human resource management (HRM) that leads to the rationale and significance of the present doctoral thesis. The chapter begins with a brief historical review of the evolution of HRM in Western economies. It then presents a brief review of the extant literature on HRM in Vietnam, the shortcomings of which provide the rationale for the doctoral study. This is followed by the research objectives, the significance of the thesis, and the research scope. The following sections include the five research questions and research design, together with a brief introduction of the research techniques undertaken in the current study. Chapter 1 ends with the organisation of this doctoral thesis.

1.1. Brief Historical Background of HRM in Western Economies

The transformation of personnel management into strategic human resource management (SHRM) is in response to economic development and industrial changes in Western economies. The idea of personnel management as a separate function was initiated when the Industrial Revolution led to an increasing number of employees in organisations (Armstrong, 2011; Butler, Ferris, & Napier, 1991; Devanna, Fombrun, & Tichy, 1981; Dulebohn, Ferris, & Stodd, 1995; Lundy, 1994). This stage of economic development resulted in a broader set of administrative services of personnel management (Armstrong, 2011; Miles & Snow, 1984; Tyson, 1987; Ulrich, 1997). After World War I, increasingly complex industrial workplaces meant that organisations in Western economies faced the challenge of acquiring and developing valued human skills. Organisations also demanded that more functional activities were performed by employees (Lundy, 1994; Mahoney & Deckop, 1986; Storey, 2007). However, there were perceptions that human resources were an organisation's expense. The personnel management function related to human resources was seen to be lower level,

maintenance-oriented, and not an important function in the organisation (Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009; Miles & Snow, 1984; Ulrich & Dulebohn, 2015). It also focused on administrative services and the management of employment relations (Armstrong, 2011; Butler et al., 1991; Conner & Ulrich, 1996; Devanna et al., 1982; Dulebohn, Ferris, & Stodd, 1995; Miles & Snow, 1984).

Up until the 1980s, factors including globalisation and international competition, institutional changes in regulations, unionisation, and demographic variations led the scholarship of HRM to grow and broaden in Western economies (Devanna et al., 1981; Miles & Snow, 1984; Storey, 2007; Ulrich & Dulebohn, 2015). Personnel management shifted from a concentration on administrative facilities to a strategic integration that could contribute to organisational performance (Lundy, 1994; Miles & Snow, 1984; Storey, 2007). During this time, requirements in people management practices such as human capital management, knowledge management, resourcing, and performance management resulted in the perceptions of HRM functions as an added value to the organisation (Barney, 1991; Barney & Wright, 1998; Wright, Dunford, & Snell, 2001).

The evolution of SHRM corresponded to changes in management practices of organisations, variations in external environments, and the interplay between organisations and their external environment (Huselid & Becker, 2000; Lengnick-Hall et al., 2009; Novicevic & Harvey, 2001; Ulrich & Dulebohn, 2015). The concept of SHRM has emerged, developed, and evolved in order to emphasise the importance of human resources in sustaining an organisation's competitive advantage (Lepak & Shaw, 2008; Paauwe, Wright, & Guest, 2013; Youndt, Snell, Dean, & Lepak, 1996). Research on SHRM has reflected the intersections of SHRM with strategic management, international management, knowledge management, organisational behaviour, and other fields. The area of SHRM has seen a rapid rise in research and management practices in

Western economies (Lengnick-Hall et al., 2009; Paauwe et al., 2013; Posthuma, Campion, Masimova, & Campion, 2013).

It is argued that the integration and coherence of the implementation of human resource (HR) practices can create positive synergistic effects on organisational outcomes (Alvesson, 2009; Boxall & Purcell, 2000; Schuler & Jackson, 2007). For instance, Chang and Chen (2002) found the positively significant impact of training and development, human resource planning, and performance appraisal on employee productivity. Collins and Smith (2006) argued that HR practices emphasising employee commitment could enhance trust, cooperation, and knowledge sharing within an organisation. Sun, Aryee, and Law (2007) found the positive association between HR practices and customer service, and employee willingness to help others.

Over the last 20 years, knowledge of SHRM has been examined mostly in Western economies, seeking to show how HRM functions add value to organisations (Cooke, 2016; Guest & Conway, 2011; Kaufman, 2012; Paauwe et al., 2013). Prior studies have shown that the roles and status of the HR department are aligned with the development of HRM functions through its transformation from performing administrative functions to becoming a strategic partner with line managers (Golden & Ramanujam, 1985; Truss et al., 2002; Ulrich & Dulebohn, 2015). The effectiveness of a HR department can be shown by its contribution to organisational performance while performing a variety of HR roles (Galang & Ferris, 1997; Sheehan et al., 2007; Ulrich, 1997). A large number of studies have examined the HR department's roles and effectiveness in organisations in the United States of America (US) (e.g., Ulrich 1997; Ulrich et al., 2009; Ulrich et al., 2013), the United Kingdom (e.g., Caldwell, 2003, 2011; Truss et al., 2002), and Australia (e.g., Sheehan et al., 2007; Teo & Rodwell, 2007). However, there are few empirical studies that investigate determinants and consequences of the HR department's effectiveness. For example, Teo and Rodwell

(2007) found the strategic involvement of the HR department to be positively associated with the HR department's effectiveness in Australian organisations. Ryu and Kim (2013) found the positive association between HR decentralisation to line managers and the effectiveness of the HR department in Korean firms. Scholars such as Ferris et al. (2007), Guest (2011), Kochan (2009), and Welbourne (2009, 2012) have argued for a broader understanding of determinants and relative outcomes of the HR department's effectiveness.

Meyer (2006, 2007), Tsui (2007), and Li (2012) stated that it is essential to conduct research in a country outside Western contexts because the extant literature on HRM is developed in relation to Western cultural and institutional characteristics (Cooke, 2016). Developing economies' contexts have a potential to validate, generalise, and/or modify contemporary HRM theories (Meyer, 2006, 2007); however, studies on HRM in developing economies, especially those in Asian regions, are rare, with the exception of a great number of studies in China and India (Budhwar & Debrah, 2009; Cooke, 2016). The purpose of this thesis is to understand: (1) HRM development in a developing Asian economy, and (2) antecedents and consequences of the HR department's effectiveness in the context of a developing economy. Vietnam was chosen because this country has had one of the world's fastest developing economies over the last 30 years. The institutional environment in Vietnam also has distinctively different features compared with those in Western contexts and these features have the potential to validate extant HRM theories. The next section presents a brief introduction to existing research on HRM in Vietnam.

1.2. Interest in Research on HRM in Vietnam

Because contemporary HRM research has paid much attention to Western developed economies such as America, the United Kingdom, and Australia, scholars such as Meyer (2006, 2007), Budhwar and Debrah (2009), and Cooke (2016) suggested an

examination of HRM development in developing economies. Developing economies have distinctive institutional characteristics that are essential for revising, modifying, and enriching Western HRM theories (Li, 2008, 2012; March, 2005). Cooke (2016) highlighted a need to expand HRM literature in the context of developing economies through a greater systematic analysis. Of interest is whether such an approach to the management of people and businesses has the same potential to contribute to organisational success and competitiveness in developing economies as it does in a Western context. Studies using a contingency approach found that the adoption of HRM is dependent on contextual conditions of a specific environment (Becker & Gerhart, 1996; Sheehan et al., 2007; Warner, 2008, 2011; Youndt et al., 1996). Political, economic, social, and cultural differences may mean organisations in a context may have different resources or degrees of management development in place that affect the feasibility of HRM (Bjorkman et al., 2011; Gooderham, Nordhaug, & Ringdal, 2006; Jackson & Schuler, 1995). Over the last few decades, there has been a particular interest in investigating people management in Asian countries, for example, Bae and Rowley (2004), Edralin (2010), and Warner (2008, 2010). One of the countries receiving much attention in recent years is Vietnam, which is in the Asia Pacific region (Budhwar & Debrah, 2009; Zhu, Collins, Webber, & Benson, 2008).

A long history and many changes in Vietnam's institutional environment has made the country different from Western and other Asian economies. Firstly, China's dominance over the last thousand years has resulted in a strong influence of Confucianism on the educational system and family relationships. This cultural value has also meant that hierarchical structures dominate in Vietnamese society and management systems. (Kamoche, 2001; Le, 2005; Thien, 2005). More recently, the French and then American colonisation of Vietnam led to the diffusion of Western philosophies and cultural values in this country. To date, a combination of Eastern and

Western cultures in Vietnam has been present in Vietnamese organisations (Quang & Thang, 2004; Zhu, Warner, & Rowley, 2007). One of Vietnam's distinctive institutional characteristics is that employment relationships reflect Eastern culture's respect for rules and regulations, power centralisation, and formal management structures (Kamoche, 2001; King-Kauanui, Ngoc, & Ashley-Cotleur, 2006; Zhu et al., 2007). It is argued that a lack of understanding of Vietnam's institutional and cultural characteristics can lead to inappropriate management practices and poor decisions (Kamoche, 2001; Quang, 2006; Zhu et al., 2008).

Secondly, the economic transition in 1986 from a centrally planned system into a market-oriented mechanism has had a significant impact on Vietnam's economic environment (Budhwar & Debrah, 2009; Truong & van der Heijden, 2009; Vo & Bartram, 2012; Zhu, 2002, 2005). One of the most significant results of the economic transition has been the large number of foreign direct investments and international educational collaborations over the last 30 years ("Vietnam Overview", 2015). The Asian financial crisis in 1997 urged Vietnamese organisations to transform personnel management into a new flexible HRM system in order to manage employees more effectively (Bartram, Stanton, & Thomas, 2009; Quang & Thang, 2004; Truong & van der Heijden, 2009; Zhu et al., 2007). Vietnamese organisations have faced pressures from globalisation and international competition since Vietnam joined the World Trade Organization (WTO) in 2007. Human resources are now seen as a strategically tangible asset that helps Vietnamese companies to survive and become more competitive (Quang, Thang, & Rowley, 2008; Quang, van der Heijden, & Rowley, 2010; Zhu et al., 2007). The drive to strategically invest in human resources has increased the recognition of the importance of HRM in Vietnamese organisations ("Vietnam Development Report", 2012; "Vietnam Overview", 2015). Vietnamese organisations are able to learn and adopt Western philosophies and practices to increase the effectiveness of HRM

systems because of increasing foreign direct investments and international collaborations in education and training activities (Quang, 2006; Truong & van der Heijden, 2009; Zhu, 2002, 2005; Zhu et al., 2008).

Vietnam's current situation in relation to economic development and the influence of globalisation has encouraged an increasing interest in studying HRM adoption and how it affects organisational performance. Prior studies have provided some contributions to knowledge of HRM by utilising different lenses of HRM literature; for example, Thang and Quang (2005a) found that the application of HR practices made a significant contribution to the overall organisational performance, and Vo and Bartram (2012) discovered the intention of using SHRM practices should be aligned with the readiness of top managers in the public sector. However, to date, no studies have provided a systematic and comprehensive view of HRM emergence and development in relation to significant changes in Vietnam's economic development and institutional environment. Furthermore, Vietnam's economic transition and globalisation have both been drivers to make HRM a strategic function (Bartram et al., 2009; King-Kauanui et al., 2006; Thang & Quang, 2005b; Zhu et al., 2008). When human resources are a source for Vietnamese organisations' sustained competitive advantage (Quang et al., 2008; Truong & van der Heijden, 2009), it is important to examine the HR department's strategic role and its contribution to human capital development. Nevertheless, empirical studies on HR roles and perceptions of the HR department's effectiveness in Vietnamese organisations have been rare, with the exception of research from Bartram et al. (2009) and Nguyen et al.'s (2013) study. Therefore, the current thesis is in response to the call for: (1) a systematic review of the current state of HRM development in Vietnam after Vietnam's economic reform in 1986, and (2) an examination of the status and contribution of the HR department in Vietnamese organisations. The next section presents the rationale of this thesis.

1.3. Rationale of this Doctoral Thesis

Most existing theories of management and organisation are developed from the contextual conditions and empirical data of Western cultures, which are derived from ancient Greek civilisation (Li, 2008; Lin, 2002; Morris et al., 1999). Thus, scholars are interested in conducting indigenous research in non-Western contexts in order to revise, modify, or enrich Western concepts or theories (Li, 1998; March, 2005; Yang, 2000). Researchers such as Meyer (2006, 2007) and Tsui (2007) argued that management research in Asian countries has to be sensitive to and specify Asian contextual conditions that could make Western concepts or theories irrelevant and fail to be adopted in Asian environments. For example, many studies have proposed adding to the extant literature new concepts and frameworks such as *ying-yang* and *guanxi*, reflecting the uniqueness of Chinese culture (Li, 2012). A consideration of contextual conditions would help researchers to deeply understand phenomena and practices in a local environment as well as to develop new theories or concepts in relation to the uniqueness of local phenomena and practices (Meyer, 2006, 2007; Tsui, 2007).

The context of a country or economy is the surroundings that shape person-situation interactions (Child & Marinova, 2014; Johns, 2006). Cooke (2016) and Jackson and Schuler (1995) argued that a systematic analysis of contextual conditions is fundamental for the examination of HRM adoption in a specific setting. There are some reasons encouraging HRM studies to examine the background of a context. Firstly, an understanding of contextual conditions might help to explain the variance in research findings from one specific environment to another (Child & Marinova, 2014). Secondly, an examination of contextual conditions is useful to understand the incidence and meaning of organisational phenomena and practices (Johns, 2006). Thirdly, the background of a context helps us better understand the development and application of HRM within its environment (DeNisi, Wilson, & Biteman, 2014; Cooke, 2016;

Posthuma et al., 2013). And lastly, an understanding of the association between HRM development and economic conditions helps organisations to survive and thrive by following institutionalised principles, rules, and standards set forth in the marketplace (e.g., Dulebohn et al., 1995; Gooderham et al., 2006; Jackson & Schuler, 1995; Posthuma et al., 2013).

The transformation of HRM has been theoretically and empirically examined in Western economies; however, systematic studies of HRM development in developing settings, especially those in Asian regions, are rare, with the exception of a great number of studies in China and India (Budhwar & Debrah, 2009; Cooke, 2016; Poon & Rowley, 2010; Warner, 2011). In Vietnam, prior studies have provided different perspectives of HRM, such as HR practices and firm performance (Thang & Quang, 2005a, 2005b), or cultural values underlying management practices (Thang et al., 2007). Yet there remains a lack of a comprehensive and scientific review of how HRM emerges, develops, and evolves in Vietnam's reformed economic environment post 1986. The current state of HRM research in Vietnam has encouraged a contribution to the contemporary literature by investigating the development of Vietnam's HRM in a scientific way. This research employs the utilisation of contingency and institutional approaches to examine the impact of Vietnam's contextual background on the development of HRM (Delery & Doty, 1996; Gooderham et al., 1999, 2010; Clinton & Guest, 2013).

The development of HRM is a core factor in the transformation of the HR department's roles and status within its organisation (Miles & Snow, 1984; Ulrich & Dulebohn, 2015). SHRM studies have illustrated that high organisational performance is characterised by the involvement and influence of the HR department in the strategic management process (Novicevic & Harvey, 2001; Teo & Rodwell, 2007; Teo et al., 2011; Welbourne & Andrews, 1996; Wright, McMahan, McCormick, & Sherman,

1998). Ulrich and his associates (Ulrich, 1997; Ulrich et al., 2009; Ulrich et al., 2013) emphasise that the HR roles are a means for the HR department to be more involved and have influence in an organisation. When the HR department plays multiple roles, other stakeholders can recognise its contribution at the operational and strategic levels (Ulrich, 1997; Ulrich et al., 2009). However, Ulrich's framework of HR roles does not include empirical evidence of factors that influence perceptions of the effectiveness of HR roles (Aldrich, Dietz, Clark, & Hamilton, 2015). Ferris et al. (2007), Kochan (2004, 2009), and Welbourne (2009, 2012) argued for more evidence of antecedents and consequences of the HR department's effectiveness while this department has received little assistance to become a business partner in the organisation. These arguments have highlighted the need to examine factors that determine the perceptions of the HR department as a strategic part of an organisation's structure.

In Vietnam, global economic volatility emphasises the need for an investment in HRM in order to sustain a high level of organisational performance. The strategic role of the HR department has become more urgent in increasing organisational outcomes such as employee and overall firm performance (Quang et al., 2010). However, previous studies have concentrated on the relationship between HR practices and organisational performance (e.g., Thang & Quang, 2005b; Thang, Quang, & Buyens, 2010; Quang & Dung, 1998), and there remains a gap in understanding the effectiveness of the HR department. Therefore, the present research examines determinants that affect perceptions of the HR department's effectiveness in Vietnam.

Moreover, there remains a debate between the universalistic perspective and contingency theory in management research. Meyer (2006, 2007) stated that the boundaries of Western contexts limit the application and generalisation of Western theories and concepts in non-Western settings. Thus, Meyer (2006, 2007) argued for the development of theories and concepts that reflect the distinctive institutional and

cultural features of Asian countries. However, Ramaswamy (2007) disagreed with Meyer's arguments, saying that "good theory, indeed must, transcend geography while at the same time account for idiosyncrasies that can be traced back to specific locations" (p. 520). Examples given by Ramaswamy (2007) have affirmed that it is still possible for management studies in non-Western economies to apply well-developed theories and concepts from the West. Li (2012) emphasised that "Western theories are early-movers and solidly established, so there is little need to reinvent the wheel in the East unless and until one has the sufficient evidence about the serious failures of the Western theories" (p. 857). Li (2012) also highlighted that the application of the extant theories and concepts from the West in an Asian economy is a primary step to developing further indigenous research. This step will help identify whether or not the existing literature properly explains the local phenomena and organisational practices. If not, it is essential to conduct research to revise and modify Western literature, and to develop unique theories and constructs for local contexts (Li, 2012). With respect to these prominent arguments, this doctoral study utilises the existing literature on the HR department's roles and status to examine antecedents and consequences of the HR department's effectiveness in Vietnam.

Studies have shown that the HR department's roles and status are associated with the development of a country's economy, the level of HRM development, the perceptions of organisational stakeholders of HRM, and an organisation's strategic orientations (Dulebohn et al., 1995; Roehling et al., 2005; Sheehan et al., 2007; Sheehan et al., 2014; Tsui, 1990; Ulrich, 1997; Wright et al., 1998). There are two important aspects to be considered from prior studies. Firstly, a historical review of HRM development has shown that the HR department's status transformation is aligned with HRM development in a certain context (Dulebohn et al., 1995; Golden & Ramanujam, 1985; Paauwe & Boselie, 2005; Ulrich & Dulebohn, 2015). Thus, taking the

institutional perspective allows the researcher to understand the overall state of the HR department within its environment. Secondly, the perceptions of the HR department's effectiveness are dependent on institutionalised conditions of an organisation. Galang et al. (1999) argued that the HR department's legitimacy is derived from its ability to satisfy constituents' demands through HRM activities and its contribution to the organisation. Other scholars, such as Roehling et al. (2005) and Sheehan et al. (2007), have stated that the institutional influence on organisational practices is the presence of the HR executive on the board of directors. This involvement can enhance the HR department's legitimacy and influence among other stakeholders (Roehling et al., 2005; Sheehan et al., 2007). These perspectives are consistent with the theory of power and influence of the HR department (Galang & Ferris, 1997).

According to Galang and Ferris (1997), there is an association between the organisational context and the HR department's power and influence. The HR department's symbolic actions such as strategic involvement and HRM activities can influence line managers' perceptions of its importance in the organisation (Ferris et al., 2007; Galang & Ferris, 1997; Novicevic & Harvey, 2004; Reichel & Lazarova, 2013). While this theory has been less prominent, the current thesis utilises Galang and Ferris's (1997) theory to show additional evidence in the literature on the power and influence of the HR department (Galang & Ferris, 1997; Novicevic & Harvey, 2004; Reichel & Lazarova, 2013; Teo & Rodwell, 2007). Justifications and details of theoretical frameworks are presented in further chapters. The next section outlines the research objectives according to the rationale of this thesis.

1.4. Research Objectives

In addition to the thesis rationale, this doctoral study has six specific research objectives. Firstly, the research focuses on examining the influence of the key stages of economic development and conditions of the institutional environment on the way

HRM has developed in Vietnam. Contingency and institutional research on contextual conditions has emphasised that management systems such as hierarchical structure and power centralisation have an impact on the interrelations between departments within an organisation (e.g., Ferris & Judge, 1991; Ferris et al., 2007; Pfeffer, 2009; Salancik & Pfeffer, 1974). As formal authority is a prominent characteristic of Vietnam's management systems, this doctoral thesis, secondly, aims to scrutinise the relationship between line managers' perceptions of the HR department's formal authority and its perceived effectiveness. Thirdly, the thesis examines whether an organisation's HR orientations have an influence on the implementation of HR practices and line managers' evaluation of the HR department's effectiveness. Fourthly, the research investigates if an organisation's strategic orientations determine the roles and status of the HR department in that organisation. The current research also examines evidence of the strategic contribution of the HR department (the fifth objective). Finally, the thesis investigates differences in the perceptions of the HR department's effectiveness between public and private sector organisations. The next section presents the substantial contribution of this doctoral study to knowledge of HRM.

1.5. Significance of this Doctoral Thesis

The current research makes various significant contributions to HRM literature in general and to the literature on power and influence of the HR department in particular. This study is in response to the call for more systematic reviews of HRM development in developing economies (Budhwar & Debrah, 2009; Cooke, 2016). The current research is different from previous HRM studies as it utilises institutional theory to examine the association between key stages of economic development and institutional changes and the state of HRM development in Vietnam. The findings of the research add to the literature a systematic and semantic understanding of HRM development in Vietnam over the last 30 years.

Despite the proliferation of research on the HRM-performance relationship, scholars such as Ferris et al. (2007), Kochan (2004, 2009), and Welbourne (2009, 2012) have stated that HRM literature needs more empirical evidence of the HR department's effectiveness. The current study exploits Western literature and adds to the knowledge of HRM a broader understanding of antecedents and consequences of the HR department's effectiveness through the employment of different theoretical perspectives. In particular, contingency and institutional approaches highlight the impact of contextual conditions on HRM adoption in a particular environment (e.g., Delery & Doty, 1996; Gooderham et al., 1999; Jackson & Schuler, 1995). Therefore, the application of these theories heightens an essential analysis of the institutional environment to understand the current state of the HR department in a developing country. Studies on power and influence of the HR department have employed different theoretical aspects such as strategic contingencies theory of power (Hickson, Hinings, Lee, Schneck, & Pennings, 1971), resource dependence theory (Pfeffer & Salancik, 1978), institutional theory (Meyer & Rowan, 1977), HRM legitimacy (Galang et al., 1999), and the resource-based view of the firm (Barney, 1991). This study focuses on the extent of the theory of power and influence of the HR department developed by Galang and Ferris (1997). The employment of this theory allows the researcher to examine impacts of a variety of contextual conditions on the perceptions of the HR department's effectiveness.

Ulrich and his associates (Ulrich, 1997; Ulrich et al., 2009; Ulrich et al., 2013) have provided different frameworks of the HR department's roles. For example, Ulrich (1997) demonstrated four HR roles: administrative expert, employee champion, change agent, and strategic partner. These four HR roles highlight the competencies of HR practitioners and the HR department's contribution to the organisation (Guthrie et al., 2011; Pritchard, 2010). However, Ulrich (1997) did not show determinants that

influence line managers' perceptions of the effectiveness of HR roles (Aldrich et al., 2015). The current research contributes to Ulrich's (1997) HR roles framework by showing additional evidence for how the roles of the HR department are initially established. Findings in the current study provide a positive and encouraging view of the HR department's importance and its contribution to Vietnamese organisations. This research also improves our knowledge of actions that HR managers can take to increase the recognition of their department's strategic value.

In addition to its theoretical significance, the current research also has practical significance, adding to the literature on managerial aspects of the HR department's power and influence (Ferris et al., 2007; Galang & Ferris, 1997; Galang et al., 1999). This doctoral thesis provides insights into Vietnam's HRM literature in relation to the roles and status of the HR department in Vietnamese organisations through the perceptions of line managers.

To summarise, the thesis:

- provides a review of the way in which HRM has emerged and developed in Vietnam
- provides a description of the development and evolution of the HRM function in Vietnam
- provides empirical evidence of how line managers accept the importance of the HR department in both operational aspects and strategic decision making, and
- assists line managers to recognise the contribution of the HR department in supporting their functional activities and assisting with the strategic management process.

In addition to theoretical and managerial contributions, this study expects to reduce the gap in understanding the effectiveness of HRM between line and HR managers at a practical level. Hence, the present study offers managerial implications of

how HR managers can enhance their status and influence among various divisions in Vietnamese organisations. Furthermore, a framework of the current state of the HR department in Vietnam's context is developed to motivate foreign and local organisations to successfully transform Western philosophies of HRM in a developing economy. In addition to the contributions of the thesis, the next section outlines the research scope that the present study focuses on.

1.6. Research Scope

There are two aspects in relation to the scope of this doctoral research. Firstly, the study chooses Vietnam, a developing economy that has experienced many institutional changes over the last 30 years, as the research site for observation and empirical testing. Secondly, the effectiveness of the HR department is investigated by looking at the relationship and interaction between the HR department and line managers within an organisation. The next section presents key definitions and the research questions, followed by the research design of this thesis.

1.7. Key Definitions

Chapter 2 provides insights into theories and concepts in HRM literature and contemporary research. Individual studies in this thesis also present definitions of constructs in the proposed models. This section briefly outlines key definitions that are necessary for the explanation of research questions.

HRM function versus HR department: The current research follows the work of Legge (1978) and Schuler (1992) to distinguish between function and development. *Function* refers to an activity, while *department* refers to the institutionalised presence in the organisation based on an organisational management structure. HRM functions are related to HRM activities that can be included in or excluded from the responsibility of the HR department (Ferris et al., 1995).

Power of the HR department: There are different perspectives in studying the power of the HR department. This study uses Galang and Ferris's (1997) definition of the HR department's power "in terms of what the department is eventually able to do in the organization, and is reflected in the organizational resources and formal authority allocated to the department" (p. 1415).

Roles of the HR department: The roles of the HR department are demonstrated as the competencies of HR practitioners and responsibilities of the HR department in the organisation's operational and strategic activities (Conner & Ulrich, 1996; Ulrich, 1997; Ulrich et al., 2009). The current study utilises Ulrich's (1997) framework of HR roles and the study from Nguyen et al. (2013) to examine the effectiveness of the HR department in relation to its roles in Vietnam.

Symbolic actions of the HR department: Galang and Ferris (1997) defined symbolic actions as actions the HR department has to engage in to acquire the organisational resources, be able to perform a wider range of HRM activities, and shape perceptions of the HR department's importance. Empirical studies have shown that symbolic actions of the HR department are ascertained as the strategic involvement of the HR department, its influence, HR roles, and implemented HR practices (Galang et al., 1997; Sheehan et al., 2007; Teo & Rodwell, 2007; Ulrich, 1997).

Line managers: According to Davidson et al. (2009), there are three levels of managers: top managers, middle managers and line managers. The study from Vo and Bartram (2012) on HRM in Vietnamese organisations defined managers as senior, middle, and line managers. This doctoral study focuses on "line managers" as these individuals have been previously examined in studies conducted in Vietnam (Vo & Bartram, 2012). In this study, line managers are those who directly manage non-managerial employees, have daily contact with frontline workers, and have direct

collaborations with the HR department in the strategic management process (Guest & Conway, 2011; Hales, 2005; Ryu & Kim, 2013).

This research examines line managers' perceptions of the HR department's effectiveness because line managers are important customers of the HR department in an organisation. Line managers are responsible for delivering HRM activities to non-managerial employees as well as working with the HR department in the strategic management process (Guest & Conway, 2011; Tsui, 1990). Therefore, line managers are knowledgeable of HRM implementation and can be seen as barriers in evaluating the effectiveness of the HR department (Brewster et al., 2013; Galang & Ferris, 1997; Guest & Conway, 2011; Wright et al., 1998).

Formal authority of the HR department: This construct is relative to the legislative authority of the HR department which is determined by the organisation's management structure and regulations (Galang et al., 1999; Paauwe & Boselie, 2005; Roehling et al., 2005). This construct specifically portrays the organisational hierarchy of the HR department, including its greater social distance and independence from other departments. In addition, the formal authority of the HR department reflects its influencing role in helping the organisation to handle environmental changes as other departments rely on its expertise to provide solutions. The formal authority of the HR department indicates its perceived power by other organisational constituents (Galang & Ferris, 1997; Sheehan et al., 2007).

Strategic involvement of the HR department: Strategic involvement of the HR department is defined as the presence and participation of the senior HR executive with other senior managers in the strategic management process (including planning and implementation of business strategy). Strategic involvement of the HR department indicates the ability of the HR executive to integrate HRM into business strategy and to assist the board of directors in making decisions in relation to HRM-business strategy.

Strategic involvement of the HR department in the strategic management process shows the interaction of the HR department with other divisions to make stakeholders aware of the effectiveness of the HR department (Teo & Rodwell, 2007; Sheehan et al., 2007; Wright et al., 1998).

Influence of the HR department: This construct reflects other organisational constituents' perceptions of the importance of the HR department within the organisation. The influence of the HR department also indicates the collaboration of the HR department with senior managers on key strategic issues faced by the organisation. The influence of the HR department demonstrates the ability of the HR department to keep informed about the best HRM practices that are used in other organisations (Bowen, Galang, & Pillai, 2002; Teo & Rodwell, 2007).

The effectiveness of the HR department: The HR department's effectiveness is measured through its capacity to affect the outcomes of key business decisions (such as new product development). The effectiveness of the HR department is also related to its ability to meet the expectations of organisational constituents within its HRM roles and responsibilities. Likewise, this construct is defined as the effectiveness of the HR department in developing and implementing HR activities that enhance employee competencies and retain competent employees (Galang & Ferris, 1997; Teo & Rodwell, 2007; Wright et al., 1998).

HR philosophy: HR philosophy is an organisation's general beliefs about the central role of human resources in the overall success of the organisation (Kepes & Delery, 2007; Schuler, 1992). An organisation's HR philosophy reflects how it considers the welfare and treatment of its employees (Lepak et al., 2007). HR philosophy also reflects an organisation's effort to attract, retain, and develop employees' competencies and maintain employee commitment (Lam & White, 1998). A business's HR philosophy is usually stated in its mission statement in order to show the

importance of human resources and that they are perceived as the organisation's source of sustained competitive advantage (Schuler, 1992).

Organisation's commitment to employees (OCE): OCE reflects the organisation's investment in human capital in terms of the focus on employee competence development and compensation (Eisenberger et al., 1990; Organ, 1990). OCE is regarded as a process of social exchange between managers and employees, allowing employees to become involved in decision making, sharing information, and presenting their opinions (Lee & Miller, 1999; Miller & Lee, 2001). OCE is the organisation's commitment to ensuring intangible assets (such as skills, knowledge, and abilities of employees) are managed and invested strategically (Bowen & Ostroff, 2004; Lee & Miller, 1999).

SHRM orientation: SHRM orientation refers to "what an organisation does with their human resources" (Ngo et al., 2008, p. 73). SHRM orientation refers to an organisation's pattern of strategic choices and the strategic way the organisation effectively manages its human resources under conditions that contribute to higher organisational performance (Armstrong, 2011; Boxall & Purcell, 2011). SHRM orientation is also a systematic approach to the planning and deployment of HR practices (Rodwell & Teo, 2004).

Strategic orientations: An organisation's strategic orientations reflect the organisation's pursuit, achievement, and maintenance of its competitive advantage (Morgan & Strong, 2003). For example, an organisation might choose an internal strategy that focuses on low levels of marketing, manufacturing, and related direct costs, and high levels of capacity utilisation (Miles & Snow, 1986; Porter, 1985), while a different organisation might concentrate on external strategies that are related to the improvement of outputs through a high level of marketing, brand loyalty, and high quality of products and/or services (Day & Wensley, 1983). Miles and Snow (1984)

classified strategic orientations into three groups: *prospector*, *defender*, and *analyser*. Organisations that follow a prospector strategy focus on product and market innovations and tend to be creators of changes and uncertainties within the business environment; defender organisations tend to focus on stabilising their products and markets; while organisations that follow an analyser strategy tend to limit their basic product line, use cost-efficient technology to stabilise products and technologies for new products, and focus on developing production efficiency (Miles & Snow, 1984). The present study focuses on innovation and breadth strategies. *Innovation strategy* indicates the frequency of improvement and modification of products/services in line with customer demands, and *breadth strategy* refers to the focus on the development of a variety of product/service offerings to diverse customers (Huselid, 1995; Sanchez, 1995; Wright et al., 1998).

Core competence: An organisation's core competence is defined as "a bundle of skills and technologies that represents the sum of learning across individual skill sets and individual organisational units" (Wright et al., 1998, p. 20). The core competence of an organisation shows the ability of that organisation to compete with rivals in the market. Core competence is comprised of a uniquely skilled workforce, efficient production system, and the ability to develop a new business (Wright et al., 1998).

Perceived organisational performance: This construct is defined as the outcomes of an organisation's management practices in terms of the organisation's effectiveness in attracting and retaining competent employees, and developing necessary skills among employees. Perceived organisational performance is reflected in employee motivation and morale, as well as the organisation's ability to secure new business contracts and identify new market opportunities and threats. Perceived organisational performance also refers to the organisation's ability to develop new products/services (Delaney & Huselid, 1996).

1.8. Research Questions and Research Design

The previous section outlined key definitions that are important for an understanding of the theoretical frameworks developed in the four studies of this thesis. The following sections present the development of the five research questions and the corresponding studies. Specifically, prior studies on HRM in Vietnam have researched different literature backgrounds such as the adoption of HR practices (Thang & Quang, 2005a, 2005b; Zhu et al., 2008) or the influence of national culture on the management philosophies in Vietnamese organisations (e.g., Thang et al., 2007). Diverse approaches in studying HRM have led to understanding different aspects of the adoption of HRM in Vietnam. However, prior studies have not comprehensively identified the development of HRM in this country. As an analysis of historical and contextual conditions is important for HRM development in developing economies (e.g., Budhwar & Debrah, 2009; Cooke, 2016), the current study proposes two research questions:

Research Question 1 (RQ1)

How has HRM in Vietnam emerged, developed, and evolved in relation to changes in HRM research over the past 30 years?

Research Question 2 (RQ2)

How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?

Study 1 in this thesis aims to answer these two research questions. It systematically reviews contemporary HRM studies in Vietnam and examines the contextual conditions underlying the current state of HRM development in Vietnam through published journal articles. The study utilises institutional theory as a theoretical lens and adopts a content analysis approach using Leximancer technique. It conducts a systematic review of HRM research in Vietnam over the last 30 years, as the analysis

identifies the association between the emphasis placed on changes in HRM research and changes in Vietnam's economic development, as well as institutional environment. As the aim of HRM research is to explain and solve organisational phenomena and practices in accordance with changes in a particular context (Cooke, 2016; DeNisi et al., 2014; Posthuma et al., 2013), findings in Study 1 play a vital role in identifying the contextual conditions that affect line managers' perceptions of the HR department's effectiveness.

SHRM research has shown the association between the perceptions of the HR department's effectiveness and stages of HRM development (e.g., Dulebohn et al., 1995; Ulrich & Dulebohn, 2015). Empirical studies have argued that the HR department can add value to various organisational outcomes such as employee performance and firm performance (Golden & Ramanujam, 1985; Guest & Conway, 2011; Teo et al., 2011; Wright et al., 1998). However, it is hard to recognise the contribution of the HR department when different stakeholders have conflicting expectations of HRM, which can be a barrier to the HR department's effectiveness (Guest & Conway, 2011; Teo & Rodwell, 2007; Truss et al., 2002). Therefore, there remain questions about factors determining the acceptance of the HR department's strategic contribution within its organisation (Ferris et al., 2007; Guest, 2011; Guest & Conway, 2011; Kochan, 2004; Stiles & Trevor, 2006; Welbourne, 2012). In Vietnam, there is little research on line managers' perceptions of the effectiveness of the HR department. Therefore, this thesis also examines:

Research Question 3 (RQ3)

What factors determine the effectiveness of the HR department in an organisation?

Research Question 4 (RQ4)

What contributions can the HR department make to the organisation when the department is perceived to be effective?

To answer RQ3 and RQ4, this thesis employs three theoretical approaches: contingency theory, an institutional lens, and the theory of power and influence of the HR department. *Contingency theory* highlights the effects of contextual conditions, such as the economic development stages, perceptions of organisational constituents, organisational management systems, and business strategy on HRM adoption in a specific context (Delery & Doty, 1996; Lepak & Shaw, 2008; Tsui, 1990). The contingency approach offers an understanding of external and internal factors that determine the perceptions of the HR department's effectiveness. An *institutional lens* explains the way an organisation establishes its management structure, management practices, and relationships between individuals, departments and with other organisations (e.g., Meyer & Rowan, 1977; Scott, 2008). The *theory of power and influence* of the HR department emphasises the institutional influences of the organisation and the symbolic actions of the HR department that have an impact on line managers' perceptions of the HR department's importance (Ferris et al., 2007; Galang & Ferris, 1997). An application of contingency and institutional perspectives with the theory of the power and influence of the HR department allows the researcher to broadly investigate which factors have an impact on line managers' perceptions of the HR department's strategic status and contribution. Based on the nature of these theoretical approaches, three relative studies have been developed.

Study 2 utilises the institutional perspective at the departmental level and the theory of power and influence of the HR department (Ferris et al., 2007; Galang & Ferris, 1997; Galang et al., 1999). An organisation is an institutional and political environment in which different constituents hold different levels of formal authority

(Hickson et al., 1971; Hinings, Hickson, Pennings, & Schneck, 1974; Pfeffer, 2009). The identification of formal authority at the individual level could lead to perceptions of the legitimate authority distributed to departments (Chung & Kang, 2013; Pfeffer, 2009; Salancik & Pfeffer, 1977; Tyler et al., 2000). Perceptions of formal authority between departments lead to the recognition of the influence and involvement of a division in making decisions (Pfeffer, 2009; Salancik & Pfeffer, 1977). As formal authority is one of the institutionalised elements of an organisation, the HR department is involved in a situation in which it seeks formal authority (Galang et al., 1999). Research on HR departments' power and influence has shown that HR departments must operate politically in order to hold an influencing role and be effective (Galang & Ferris, 1997; Sheehan et al., 2007). Scholars such as Galang and Ferris (1997), Bowen and Ostroff (2004), and Ferris et al. (2007) have highlighted the need for more evidence of the impact of formal authority on perceptions of the HR department's effectiveness. As Vietnamese organisations emphasise formal authority in identifying the influence of managerial levels, including the HR department, (Painter, 2003; Quang & Thang, 2004; Thang et al., 2007; Zhu et al., 2007), Study 2 examines line managers' perceptions of the HR department's formal authority in relation to its status and effectiveness.

Studies on the power and influence of the HR department have demonstrated that an organisation's orientations towards human resources are an institutional and political support that can secure the HR department's status (Brandl & Pohler, 2010; Galang & Ferris, 1997; Galang et al., 1999; Sheehan et al., 2007). A shared understanding of these institutionalised elements affect the way line managers interpret HRM activities and evaluate the HR department's effectiveness (Galang & Ferris, 1997; Galang et al., 1999; Sheehan et al., 2007). Wright (2015) highlighted that an organisation's HR orientations reflect the essential consideration of the "people" element into HRM implementation. Linking "people" emphasises the importance of an

organisation's human resource philosophy that demonstrates the organisation's care towards employee welfare and treatment (Kamoche, 1996; Kepes & Delery, 2007; Lepak & Snell, 2002; Schuler, 1992; Wright & McMahan, 1992). Linking "people" is also related to an organisation's commitment to employees that creates a shared acknowledgement of how much an organisation invests in human capital development (Lee & Miller, 1999; Wayne et al., 1997). These two components provide guidelines for the orientation and implementation of HRM systems (Godard & Delaney, 2000; Lepak & Snell, 2002; Lepak et al., 2007; Nishii et al., 2008). Furthermore, both elements and implemented HR practices are vital criteria for stakeholders to evaluate the HR department's effectiveness and recognise its importance (Guest & Conway, 2011; Khilji & Wang, 2006; Lam & White, 1998; Laurent, 1986; Paauwe et al., 2013; Sheehan et al., 2007). However, Monks et al. (2013) argued that HRM studies have spent much effort investigating the HRM-performance linkage without considering the areas of an organisation's HR orientations. Based on the theory of power and influence of the HR department, **Study 3** examines whether or not an organisation's HR orientations have an impact on perceptions of the HR department's effectiveness through implemented HR practices.

Strategic orientations of an organisation are contingent factors that determine what roles the HR department should perform and whether or not the HR department could be involved in the strategic management process, and also affect the perceptions of its effectiveness (e.g., Golden & Ramanujam, 1985; Teo & Rodwell, 2007; Wright et al., 1998). For instance, when strategic orientations focus on utilising human input, the HR department is likely to hold a strategic role in business strategic management and be able to align a range of HRM practices with the business strategy (Golden & Ramanujam, 1985; Huselid, 1995; Lam & White, 1998; Schuler, 1992; Ulrich & Dulebohn, 2015). However, studies of the effect of an organisation's strategic

orientations on the roles and status of its HR department have been less evident, with the exception of Wright et al. (1998) and Teo et al. (2011).

The theory of power and influence of the HR department ascertains symbolic actions of the HR department including HR roles, strategic involvement, and the influence of the HR department in the strategic management process (Golden & Ramanujam, 1985; Galang & Ferris, 1997; Teo & Rodwell, 2007; Wright et al., 1998). These symbolic actions are formed by the perceptions of key stakeholders towards the strategic orientations of an organisation. When the HR department utilises its symbolic actions, organisational stakeholders can recognise its power and influence (Delery, 1998; Galang & Ferris, 1997; Galang et al., 1999; Golden & Ramanujam, 1985; Huselid, 1995; Teo & Rodwell, 2007). Ferris et al. (2007), Galang and Ferris (1997), and Galang et al. (1999) stated that the consequent outcomes of the HR department's power and influence need to be investigated. Subsequently, **Study 4** of this thesis focuses on examining the impact of strategic orientations on line managers' perceptions of the HR department's roles and status in the strategic management process. This study also examines the organisational outcomes associated with the HR department's effectiveness.

Although institutional theory (e.g., Powell & DiMaggio, 2012; Scott, 2008) addresses the isomorphism of organisations' management practices in the same environment, institutionalists have highlighted the influence of ownership types on HRM adoption (e.g., Gooderham et al., 1999; Kamoche, 2001; Zhu et al., 2008). For instance, foreign investment organisations that have a lot of experience in a market-oriented economy tend to use more sophisticated and advanced HR practices than do local organisations in a centrally planned economic system (Weinstein & Obloj, 2002). Studies conducted in Vietnam have also shown different perceptions of the HR department's roles in accordance with different ownership types (Quang & Thang,

2004; Truong & van der Heijden, 2009; Nguyen et al., 2013). Therefore, this thesis assumes that the perceptions of line managers in public and private sectors towards the HR department's effectiveness are different. The current thesis develops the last research question:

Research Question 5 (RQ5)

Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?

The four studies are summarised in Table 1. The next section briefly introduces the different research techniques that are utilised to examine the research questions in the four studies.

Table 1. Summary of the Four Studies in this Doctoral Thesis

Research question	Study		Purpose	Method
RQ1: How has HRM in Vietnam emerged, developed, and evolved in relation to changes of HRM research over the past 30 years? RQ2: How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?	Study 1 (Qualitative)	Content analysis	To understand the association between the evolution of HRM and the key stages of economic development in Vietnam	Content analysis
RQ3: What factors determine the effectiveness of the HR department in an organisation? RQ5: Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?	Study 2 (Quantitative)	Pilot study	To check and validate constructs and questionnaire items	Semi-structured depth interviews
		Main study	To test the hypotheses	Survey
		Validating study	To validate the findings	Survey
RQ3: What factors determine effectiveness of the HR department in an organisation? RQ5: Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?	Study 3 (Quantitative)	Pilot study	To check and validate constructs and questionnaire items	Semi-structured depth interviews
		Main study	To test the hypotheses	Survey
		Validating study	To confirm the findings	Survey
RQ3: What factors determine the effectiveness of the HR department in an organisation? RQ4: What contributions can the HR department make to the organisation when the department is perceived to be effective?	Study 4 (Quantitative)	Pilot study	To check and validate constructs and questionnaire items	Semi-structured depth interviews
		Main study	To test the hypotheses	Survey

In this doctoral thesis, different techniques to analyse qualitative and quantitative data are performed. In Study 1, there is an adoption of Leximancer technique to identify themes, concepts, and their correlations. In quantitative studies, a back-translation process suggested by Brislin (1970) is conducted. A series of semi-structured in-depth interviews and pilot tests are undertaken to ensure the quality of translations and the applicability of measurements in Vietnam. For the analyses of quantitative data, a range of univariate, bivariate, and multivariate analyses are conducted in IBM *SPSS version 22* and IBM *AMOS version 22*. A number of one-factor congeneric measurement models are undertaken using *AMOS version 22* to ensure the discriminant validity of measurements. Moreover, the tests of the structural models and multiple group comparisons (i.e., public sector versus private sector) are performed in *AMOS version 22*. Simultaneously, multiple linear regressions in PROCESS Macro for *SPSS version 22* in Study 2 and Partial Least Squares using *SmartPLS* software version 2.0 in Study 3 are employed to validate research findings. Following Hayes (2013), this research also makes use of PROCESS macro to test mediation and moderation effects by using different models, including model 1, model 4, and model 6. The last section of this chapter demonstrates the organisation of the current thesis.

1.9. Structure of This Doctoral Thesis

Chapter 2 presents a brief integration of the literature that is outlined separately in each study. The chapter opens with a short history of HRM to provide an insight into the transformation of personnel management into SHRM in Western economies. A demonstration of the changing roles and status of the HR department is presented, followed by a review of theoretical approaches in HRM literature. Chapter 2 also outlines key features of Vietnam's institutional context, including historical aspects, its economic environment, current educational circumstances, and cultural values in

management practices. The chapter concludes with the development of the research questions which are examined in the four studies.

Chapter 3 demonstrates the design of this doctoral thesis including the four studies and the methodologies engaged for answering the research questions. The chapter first highlights ontological and epistemological considerations, then presents a short introduction to the research design along with a discussion of the relevance of the methods employed in of each of the four studies. The next sections in Chapter 3 include a consideration of normality distribution and common method bias in conducting surveys. Chapter 3 concludes with a section on ethical issues that arose during the research implementation.

This is a doctoral thesis by publications. The next four chapters present four studies in terms of journal manuscripts. Each manuscript comprises a literature review, research methodology, findings, discussion, conclusion, and references. **Chapter 4** (Study 1) presents whole research that investigates the influence of economic development stages and institutional environment on the development of HRM in Vietnam. **Chapter 5** (Study 2) illustrates a complete study of the influence of formal authority on the perceptions of the effectiveness of the HR department. **Chapter 6** (Study 3) is an entire piece of work that examines the impact of an organisation's HR orientations on the perceptions of the HR department's effectiveness. **Chapter 7** (Study 4) demonstrates a full empirical study that investigates line managers' evaluation of the HR department's effectiveness and its relative organisational outcomes.

Chapter 8, the concluding chapter, opens with a summary of the thesis structure including the four studies. The chapter presents the overall significance of the doctoral research. The findings show a systematic understanding of HRM development in Vietnam as well as provide additional evidence of the influence of contextual conditions on line managers' perceptions of the HR department's effectiveness. Chapter 8 then

assesses managerial implications, followed by a presentation of potential limitations and directions for future studies. Line managers involved in these studies have a chance to re-consider their partnerships with the HR department and re-acknowledge the importance and effectiveness of HRM in their organisations. For HR managers, this doctoral thesis gives them opportunities to enhance their understanding of how the HR department can be seen as an effective functioning unit of the organisation. Hence, HR managers can gain ideas to improve their competencies in order to become more credible in the perceptions of line managers.

CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

Chapter 2 presents a brief integration of the HRM literature that is relevant for the development of this thesis's research questions and the theoretical models of each study. The purpose of this literature review chapter is to signal previous efforts to theorise the constructs of interest and the boundary of theories in which different constructs may show useful as an independent or dependent variable (Netemeyer et al., 2003). Chapter 2 also provides a background of the research context and determines a connection between the research and the current literature on the subject and what can be predicted in the light of existing theories (Blaikie, 2000, 2010). The outcome of Chapter 2 provides supports the argument that this thesis makes a unique and worthwhile contribution to the growing body of HRM knowledge. Thus, the aims of Chapter 2 are to:

- critically and briefly review HRM literature from the last 50 years, highlighting the conditions needed for the HR department to maintain its strategic function, and that there are few studies on the antecedents and consequences of the HR department's effectiveness
- critically analyse theories in SHRM and formulate a direction for developing theoretical frameworks that will be examined in this thesis, and to
- describe and evaluate Vietnam's contextual conditions to verify the applicability of HRM literature in this context.

The structure of Chapter 2 is as follows. The next section begins with a brief history of the development of HRM functions as discussed in the literature. The chapter then presents the changing status of the HR department and its development of a strategic

approach to add value to its organisation. Next, the chapter argues for the utilisation of the contingency and institutional approaches because these approaches take into account the contextual conditions influencing the adoption of HRM in a specific context. A justification of the theory of power and influence of the HR department is presented, followed by a brief demonstration of the research context of Vietnam. This chapter ends with the development of the research questions.

2.2. Brief History of Human Resource Management Evolution

The background of a context is associated with the establishment and development of organisational practices within a specific environment (Cappelli & Sherer, 1991; Johns, 2006). HRM studies utilising a historical and institutional perspective have affirmed that changes in a context can play a critical role in shaping the development of HRM functions within its setting (Cooke, 2016; Gooderham et al., 1999; Jackson & Schuler, 1995). The development and evolution of people management systems in Western economies are a response to changes in the institutional environments (Ulrich & Dulebohn, 2015). The following sections present a concise review of how the scholarship of HRM has emerged, developed, and evolved in Western economies, from “personnel management” to “human resource management” and subsequently to “strategic human resource management”.

2.2.1. Traditional Personnel Management Function

The emergence of the traditional personnel management function was associated with the dominance of small, privately owned organisations in pre-Industrial Revolution times. Traditional people management practices were autocratic, paternalistic, and personalised in terms of the responsibility of worker supervisors, with little concerned for the working conditions, health and safety, or job security of workers (Dulebohn et al., 1995; Miles & Snow, 1984; Nelson, 1975). The Industrial Revolution in the United Kingdom primarily affected the operational management systems of organisations

(Dulebohn et al., 1995; Lundy, 1994; Miles & Snow, 1984). The emergence of the modern factory system and technological innovations, and the presence of large-size functional organisations, subdivided and routinised production, resulting in the introduction of scientific management, commodity philosophy of labour, and the welfare movements (Butler et al., 1991; Conner & Ulrich, 1996; Dulebohn et al., 1995; Lundy, 1994). Traditional personnel management functions, such as recruiting, selection, record-keeping, training, and time-and-motion studies, were no longer appropriate for the needs of organisations because they did not create any value to organisations. Additional factors contributing to the weakness of the traditional personnel management function were the vestige of bureaucracy and the laissez-faire form of people management, as well as the powerful influence of trade unions on welfare management (Conner & Ulrich, 1996; Lengnick-Hall et al., 2009; Lundy, 1994).

2.2.2. Personnel Management Function

The personnel management (PM) function emerged when elite organisations started to acknowledge that acquisition and development of valued human skills was a means of recovering their businesses after the two World Wars and creating a competitive advantage in terms of human resources (Butler et al., 1991; Lengnick-Hall et al., 2009; Lundy, 1994). As a result, the role of human resources became important and useful for the survival of organisations (Dulebohn et al., 1995; Miles & Snow, 1984; Lengnick-Hall et al., 2009). However, PM was still a low-level function with disconnected personnel activities and overseen by the unions because of a lack of strategic relevance in its function (Butler et al., 1991; Lengnick-Hall et al., Lundy, 1994; 2009; Miles & Snow, 1984). During this time, the personnel department was not seen to be a strategic partner due to its reactive role in performing separate administrative tasks and treating employees as a cost to be controlled. This function was also less flexible in performing

staff deployments (Cole, 2002, Dulebohn et al., 1995; Miles & Snow, 1984; Rowland & Summer, 1981). To try and counter this inflexibility, which was due to both a lack of a theoretical base, including textbook content that was irrelevant to the needs of organisations, and the dominance of trade unions, there were suggestions that personnel management should become involved in the strategic planning process (Alper & Russell, 1984; Hunt, 1984; Legge, 1978; Lundy, 1994).

Major developments in technology and domestic competition led to the establishment of divisionalised organisations with the ambition of retaining a skilled and qualified workforce. These changes resulted in the transformation of the PM function from merely administrative support activities with no involvement in business planning to developing HR philosophies, standardising, and tailoring PM functions to suit the demands of a certain department or group of subunits within organisations (Cole, 2002; Dulebohn et al., 1995; Miles & Snow, 1984; Tyson & Fell, 1986; Tyson, 1987). In addition, the rapidly changing environment in terms of domestic and international competition as well as market pressures created opportunities for the PM function to develop a more strategic role by integrating business management and people management strategies (Dulebohn et al., 1995; Mahoney & Deckop, 1986; Miles & Snow, 1984; Storey, 1992, 2007). The evolution of the PM department reflected the increasing importance of people management as a core business function that was able to coordinate with line managers and bring human resource considerations into the organisational strategy (Brewster & Smith, 1990; Lengnick-Hall et al., 2009; Storey, 1992; Ulrich & Dulebohn, 2015). Hence, the PM department could gradually increase the trust and mutuality in its relationships with managers and employees (Dyer, 1983, 1984; Miles & Snow, 1984; Ulrich, 2011).

Competitive pressures since the 1970s have required organisations to develop a flexible, proactive system of people management that not only ensures smooth running

of organisational operations but also is aligned and integrated with organisational strategy (Cole, 2002). The PM function is no longer sufficient valid for organisational development and competition. A call for the integration of people management with business planning management has led to the emergence of human resource management (Cole, 2002; Dulebohn et al., 1995; Lundy, 1994; Miles & Snow, 1984). Along with the acknowledgement of people-business integration, the PM department's status has undergone a significant change, from its administrative position to its greater involvement in the business planning process (Dulebohn et al., 1995; Miles & Snow, 1984; Ulrich & Dulebohn, 2015).

2.2.3. Human Resource Management Function

In the early 1980s, concerns and demands for customer satisfaction, quality of products and services, productivity, and cost effectiveness brought a new focus to the management of human resources in a strategic way (Devanna et al., 1981; Devanna et al., 1982; Dulebohn et al., 1995; Lundy, 1994; Tichy, Fombrun, & Devanna, 1982). A replacement for the PM function became critical as a primary focus of organisations was to build up a capable workforce that would enable the organisations to achieve their business goals (Devanna et al., 1981; Devanna et al., 1982; Dulebohn et al., 1995; Tichy et al., 1982 Tyson, 1995). A variety of innovative HR practices such as recruitment, training, compensation, and rewards were implemented to increase employee and organisational performance (Boxall & Purcell, 2003; Ulrich & Dulebohn, 2015). Because of increasing demands for a more strategic role for HRM, the function of HRM grew and broadened during the 1980s, as reflected in the literature (Dyer, 1983; Dulebohn et al., 1985; Miles & Snow, 1984; Schuler, 1990; Walker, 1992).

2.2.3.1. Definition of Human Resource Management

Since the 1980s, studies have contributed different definitions of HRM to the literature. For instance, Hendry and Pettigrew (1990) conceptualised HRM as “a perspective on

employment systems, characterised by their closer alignment with business strategy” (p. 35); Boxall and Purcell (2003) defined HRM as “all those activities associated with the management of employment relationships in the firm” (p. 1); Boxall, Purcell, and Wright (2007) regarded HRM as “the management of work and people in an organisation” (p. 7); Boxall and Purcell (2010) described HRM as “an inevitable process that accompanies the growth of organisations” (p. 29); Boxall and Purcell (2011) pointed out that the term HRM is commonly used to indicate the activities of management in organising work and employing people; and Deadrick and Stone (2014) stated that HRM involves the effective and productive deployment of employees in order to obtain the organisation’s business objectives and satisfy individual employees.

Regardless of the different perspectives, definitions of HRM concur that HRM activities are aimed at long-run competitiveness that relies on human capital management, knowledge management, organisational design and development, resourcing, performance management and so on, in order to enhance organisational performance (Armstrong, 2011; Cole, 2002; Dyer, 1983, 1984; Deadrick & Stone, 2014; Lundy, 1994). Guest (1987) outlined three ways in which HRM differentiates itself from traditional personnel management: the first approach is simply to re-title personnel management as HRM; the second approach is to use HRM as a way of re-conceptualising and re-organising personnel roles and describing the work of personnel departments; and the third approach emphasises the distinctive difference of HRM in terms of integrating human resources into strategic management (Guest, 1987). On the other hand, Mahoney and Deckop (1986) made the distinction between HRM and personnel administration. According to them, HRM focuses on an integrated set of internally consistent HR policies designed to facilitate organisational performance whilst personnel administration refers to discrete activities such as recruitment, training and compensation. In addition, the terminology of HRM emphasises the fact that

employees are human resources which are managed simultaneously with other organisational resources (Mahoney & Deckop, 1986). This view shows that instead of relying on capital resources, the competitive advantage of organisations is also dependent on human resources (Carnevale, Gainer, & Meltzer, 1990; Devanna et al., 1981; Dyer, 1985; Mahoney & Deckop, 1986; Porter, 1985). Since the 1980s, research on HRM has blossomed, illustrated by the frameworks that show how HRM can contribute to overall organisational outcomes.

2.2.3.2. Models of Human Resource Management

Research in the field of HRM has primarily focused on the significant effect of HRM on the enhancement of organisational performance and sustainable competitive advantage through HR strategy and practices (e.g., Arthur, 1994; Barney, 1986, 1991, 1995; Becker & Gerhart, 1996; Delaney & Huselid, 1996; Huselid, 1995; Jiang, Lepak, Hu, & Baer, 2012; Wang, Tsui, Zhang, & Ma, 2003). The significant contribution of prior work on the relationship between HRM and organisational performance has been the development of different theoretical frameworks of HRM, including the “Matching Model”, the “Harvard Model”, the “Contextual Model”, the “5-P Model”, and the “European Model” (Armstrong, 2011; Budhwar & Debrah, 2001; Cohen, 2002). Among those models, the Matching Model and Harvard Model are popular in the field because of their strategic focus and comprehensive guidelines for the development of HRM in the enhancement of organisational performance (Brunetto, Farr-Wharton, & Shacklock, 2011; Budhwar & Debrah, 2001; Truss, Gratton, Hope-Hailey, McGovern, & Stiles, 1997).

In the Matching Model, HRM is defined as various practices used to manage people with identifiable functions such as selection, training, appraisal, and rewards that are linked to the organisational strategy and structure (Armstrong, 2011; Tichy et al., 1982; Wright & McMahan, 1992; Zhu et al., 2007). In accordance with the Matching

Model, the “Hard HRM” system emphasises the link between HR policies and procedures with strategic objectives, and the coherence between HR policies and procedures (Baird & Meshoulam, 1988; Budhwar & Debrah, 2001; Guest, 1987; Hendry & Pettigrew, 1986; Truss et al., 1997; Zhu et al., 2007). In other words, the Hard HRM system aims to secure a fit between organisational strategy and human resources, and emphasises employee development through involvement, empowerment and devolution (Armstrong, 2011; Budhwar & Debrah, 2001; Storey, 1992; Tichy et al., 1982; Truss et al., 1997). The Hard HRM system also represents the quantitative, calculative, and business-strategic aspects of HRM that focus on efficiency of production activities with the input of human resources by treating each employee as an individual (Baird & Meshoulam, 1988; Budhwar & Debrah, 2001; Storey, 1992). This system consists of individual performance assessments and systems of individually oriented reward; thus, management possesses substantial autonomy within organisations (Gooderham et al., 1999; Guest, 1987; Storey, 1992). However, the Hard HRM system fails to recognise the complexities both between and within the integration of business strategy and HRM (Dyer, 1985; Kamoche, 1994; Truss & Gratton, 1994; Truss et al., 1997). In addition, the Hard HRM system views employees as instruments to achieve organisational goals, and so organisations fail to perceive employee needs (Edgar & Geare, 2005; Greenwood, 2002; Guest, 1999).

The Harvard Model highlights the interests of different stakeholders in terms of HR flows, reward systems, employee influence, and work systems that are linked to organisational objectives (Beer et al., 1985; Budhwar & Debrah, 2001, Guest, 1987; Keenoy, 1990; Zhu et al., 2007). The Harvard Model is used to track the effects of changes in HRM policy choices on HRM outcomes, such as employee commitment, job satisfaction or employee wellbeing (Ackroyd et al., 2007; Brunetto et al., 2011; Gould-Williams, 2004). According to the Harvard Model, the “Soft HRM” system focuses on

the enhancement of mutuality and consensus of human resources towards creativity and innovation throughout organisations. In particular, the Soft HRM system is associated with the goals of flexibility and adaptability (Guest, 1987; Storey, 1992; Truss et al., 1997) or the utilisation of individual talents and the human relations movement (Storey, 1992; Truss et al., 1997). Specifically, communication plays a central role in the Soft HRM system as it represents collaborative HRM that views employees as “active partners and core assets” to the organisation (Gooderham et al., 1999, p. 511). The adoption of collaborative HRM requires a partnership culture between employees and employers as well as among employees (Guest, 1999; Storey & Sisson, 1993). In this partnership culture, organisations recognise the value of employees via communications of organisational strategy, vision, mission, and goals within management’s statements (Gooderham et al., 1999; Guest, 1999; Storey & Sisson, 1993). Hence, the outcomes of the Soft HRM system are a high level of commitment, competence, congruence, and cost effectiveness (Edgar & Geare, 2005; Guest, 1997, 2001). The Soft HRM system also aims to develop and sustain mutual trust and improve individual and group performance at minimum cost in order to achieve individual well-being, organisational effectiveness, and societal well-being (Budhwar & Debrah, 2001; Truss et al., 1997).

In general, both the Matching and Harvard Models present two different focuses: the former is closer to strategic management literature and the latter is closer to the human relations tradition. Nonetheless, they both emphasise the importance of human resources in the organisational strategy (Budhwar & Debrah, 2001; Truss et al., 1997; Zhu et al., 2007). ‘Hard’ and ‘Soft’ systems might seem to be mutually exclusive practices, yet they are extremely complementary (Guest, 1987; Kennoy, 1990, 1997; Storey, 1992). The Hard HRM system emphasises “decision about how to resource labour requirements” while the Soft HRM system refers to “decisions about how to management those resources” (Kennoy, 1997, p. 838). Similarly, Guest (1995), Poole

and Mansfield (1992), and Truss et al. (1997) concluded that there is a mixture of both hard and soft approaches in the adoption of HRM in organisations. Regardless of their different focuses, these two systems have been critical when examining how strategic HRM has really become in responding to the call for the integration of HRM into organisational strategy (Budhwar & Debrah, 2001; Guest, 1999; Truss et al., 1997; Zhu et al., 2007).

To summarise, studies on HRM on the early stage of HRM development generated strategic considerations of organisations in terms of human resources or “personnel” and proposed a comprehensive understanding of HRM (Dyer, 1983, 1984). Briefly, traditional personnel management functions focused on administrative tasks that helped to maintain employee morale and corporation (Dyer, 1983; Guest, 1987; Miles & Snow, 1984). In addition, personnel management implied that employees were part of the organisation’s expenses; thus, the personnel management department conducted separate, unconsidered, and passive activities that were not critical business functions (Mahoney & Deckop, 1986; Miles & Snow, 1984; Ulrich & Dulebohn, 2015). A great many competitive pressures resulted in demand for a broader, more comprehensive and more strategic perspective with regard to organisations’ human resources. In accord with changes in the economy, employees were subsequently viewed as resources for the sustained competitive advantage of the organisation (Barney & Wright, 1998; Dyer, 1983; Miles & Snow, 1984). As a result, HRM developed as a general management concern that required an integration of HR decisions into the strategic management process (Beer et al., 1985; Dyer, 1983; Golden & Ramanujam, 1985; Miles & Snow, 1984). In other words, HRM became involved in all management decisions and actions that affected the nature of the relationship between organisations and human resources (Boxall & Purcell, 2011). In addition, a great deal of effort has been made researching the differences between personnel management and HRM

functions. For example, Cole (2002, p. 8) summarised the key differences between personnel management and HRM in Table 1.

Table 1. Distinct Characteristics of Personnel Management and HRM

Personnel management implies	HRM implies
Reactive, serving role	Proactive, innovative role
Emphasis on implementation of procedures	Emphasis on strategy
Specialist department	General management activity
Focus on employees' needs in their own right	Focus on employee requirements in the light of business needs
Employees seen as cost to be controlled	Employees seen as investment to be nurtured as well as cost to be controlled
Presumption of union-management conflicts	Conflicts dealt with by team leaders within their teams
Preference for collective bargaining of pay and conditions	Management-led planning of people resources and employment conditions
Emphasis on settling pay more in terms of the organisation's internal market	Emphasis on competitive pay and conditions to stay ahead of competitors
Serving other departments/ units	Contributing 'added value' to business
Supporting change	Stimulating change
Challenging business goals in light of effects on employees	Total commitment to business goals
Less flexible approach to staff deployments	Completely flexible approach to staff deployments

Note: Adapted from Cole (2002), page 8.

Before the 1970s, research on HRM examined four main HR functions: selection, appraisal, rewards, and development; each is separately linked to organisational strategy (Beer et al., 1985; Devanna et al., 1981; Devanna et al., 1982; Miles & Snow, 1984). In the late 1970s, the field of HRM witnessed changes in the image, status, and importance of HRM in organisations as a result of challenges in domestic and international competition, deregulation, global market pressures, and

technological changes (Devanna et al., 1982; Dulebohn et al., 1995; Miles & Snow, 1984). Thus, the scholarship of HRM began to flourish in response to the needs of HR practitioners, who needed to understand the effectiveness of HRM activities, which were expected to work together synergistically with the strategic orientation of the organisation (Dyer, 1983, 1984, 1985; Golden & Ramanujam, 1985; Henry & Pettigrew, 1990). However, prior studies lacked both an explicit theory of HRM and empirical evidence of the contribution of the HR department (Guest, 1987, 1997; Henry & Pettigrew, 1990). Therefore, research undertaken during the evolution of HRM aimed to provide advanced knowledge of HRM in relation to the formulation and implementation of organisational strategy (Dulebohn et al., 1995; Dyer, 1983). This prominent call resulted in the concept of SHRM (Dyer, 1983; Golden & Ramanujam, 1985; Schuler & Jackson, 1987; Schuler, 1990).

2.2.4. Strategic Human Resource Management Function

The evolution of strategic human resource management (SHRM) was in line with technological development, economic environment changes, and the upheaval of organisational structures (Dulebohn et al., 1995; Miles & Snow, 1984; Posthuma et al., 2013; Stiles & Trevor, 2006). In particular, the evolution of SHRM was in response to significant changes in the US economy, reflecting economic trends in the 1970s, demographic shifts in 1980s, and the difficulties of organisational management (Devanna et al., 1981; Dulebohn et al., 1985; Lengnick-Hall & Lengnick-Hall, 1988; Miles & Snow, 1984). These changes resulted in different perspectives when examining the linkage between HRM and organisational strategy (Fisher, 1989; Golden & Ramanujam, 1985; Hendry & Pettigrew, 1986). For instance, Dyer (1983) argued that human resources could be linked to formal strategic planning through parallel (sequential) preparation, inclusion, participation, and review. Simultaneously, Miles and Snow (1984) proposed a framework of HR systems tailored to the three strategic

behaviour and organisational characteristic types: defenders, prospectors, and analysers. In response to the inclusion of contextual factors into HRM-strategic linkage, Golden and Ramanujam (1985) drew a conceptual model that includes the specific factors of an organisation and those of the HRM function that have an impact on the linkage between HRM and the strategic planning process. In this framework, four non-chronological phases of SHRM are posited as follows: “administrative linkage”, “one-way linkage”, “two-way linkage”, and “integrative linkage”. Depending on the level of HR involvement in the strategic management process, the roles and contribution of the HR department are perceived differently (Golden & Ramanujam, 1985).

According to Golden and Ramanujam (1985), administrative linkage depicts the tradition role of HRM in performing administrative tasks such as recordkeeping and maintaining payroll. The second phase, one-way linkage, concentrates on the role of HRM in strategy implementation rather than its impact or assistance in the strategic formulation process. In the third level, HRM proactively contributes to the strategic formulation and implementation processes. Finally, integrative linkage demonstrates the involvement of HR executives with the strategic planning team, participating throughout the formation process and having an opportunity to influence the organisation over the long term (Golden & Ramanujam, 1985). In short, to understand the linkage between HRM and the strategic planning process, Golden and Ramanujam (1985) suggested an examination of the interaction between organisational-specific factors (e.g., labour requirements, senior management expectations) and HR functional-specific factors (e.g., demonstration of HR expertise). However, Golden and Ramanujam’s (1985) study provided little understanding of what influences the degree to which organisations integrate HRM into business strategy; therefore, it was not possible to generalise Golden and Ramanujam’s (1985) research findings (Bennett, Ketchen & Schultz, 1998).

Environmental factors resulted in a rising interest in HRM, as well as a need for evidence of the success of HRM in organisations and valid theory underlying the framework of HRM. Nevertheless, Fisher (1989) noted a research-practice gap still existed in the area of SHRM during the 1980s. Although previous studies had made progress towards a better understanding of the linkage between HRM and the strategic planning process, the complexity of questions and difficulties of definitions and measurements, as well as sampling problems, limited empirical evidence in early SHRM studies (Fisher, 1989). In addition, studies on SHRM in the 1980s initially focused on the relationship between HR practices and business results using a simple premise – better use of HR practices leads to better business outcomes – without considering the contingent variables in the external and internal environments (Ulrich, 1997). This is why studies on SHRM from this period can be regarded as being in their infancy, because they lacked a coherent theoretical framework to identify the roles of HRM and the determinants of various HR practices (Bennett et al., 1998; Guest, 1987, 1997; Hendry & Pettigrew, 1990; Wright & McMahan, 1992). Also, there was no consensus regarding a definition of SHRM that distinguished it from HRM (Guest, 1987, 1997; Wright & McMahan, 1992). Researchers on SHRM highlighted that the notion of SHRM requires a clear definition, clear theories of HRM and HRM-performance, and measurement issues (Fisher, 1989; Guest, 1987, 1997; Wright & McMahan, 1992). Given the importance of theory in HRM research, Henry and Pettigrew (1990) and Wright and McMahan (1992) emphasised that an accurate theory of SHRM is necessary for both researchers and practitioners to gain benefit from making good or efficient decisions. Therefore, SHRM studies began to focus on providing clear definitions of SHRM and developing theoretical frameworks to determine how SHRM contributes to an organisation's success.

In response to the call for useful research on SHRM, the terminology of SHRM has evolved to show the relationship between SHRM and firm performance. Schuler (1992) viewed SHRM as an outcome of the effort to integrate HRM into organisational strategy. Wright and McMahan (1992) defined SHRM as “the pattern of planned human resource deployments and activities intended to enable an organisation to achieve its goals” (p. 298). Boxall and Purcell (2000) regarded SHRM as “the strategic choices associated with the use of labour in firms and with explaining why some firms manage them more effectively than others” (p. 185). Schuler and Jackson (2007) emphasised that SHRM involves the systematic linkages of people management with the firm. Alvesson (2009) emphasised that SHRM is concerned with “how the employment relationships for all employees can be managed in such a way as to contribute optimally to the organisation’s goal achievement” (p. 52). In other words, SHRM reflects the way in which an organisation effectively manages its human resources under conditions that contribute to higher organisational performance (Batt & Hermans, 2012; Becker & Huselid, 2006; Dye, 1990).

Different definitions of SHRM have agreed that “SHRM is an approach to managing people that deals with how the organisation’s goals can be achieved through its human resources by means of integrated HR strategies, policies and practices” (Armstrong, 2011, p. 48). These definitions have generated propositions that differentiate SHRM from former concepts of people management (i.e., personnel management and HRM). For instance, Boxall and Purcell (2000) stated that while HRM includes “anything and everything associated with the management of employment relations in the firm” (p. 184), SHRM refers to the pattern of strategic choices in labour management towards enhancing the effectiveness of management. Therefore, SHRM is different from HRM in two ways: firstly, SHRM pays attention to the relationship between HR practices and organisational performance rather than individual

performance, and secondly, SHRM emphasises the role of HRM systems as solutions to business problems (including positive and negative complementarities) rather than individual HR practices in isolation (Becker & Huselid, 2006).

In short, SHRM emphasises that HR is a source of strategic contributions to organisational outcomes (e.g., Colbert, 2004; Lado & Wilson, 1994; Wright et al., 1994; Wright & Snell, 1998; Wright et al., 2001). SHRM highlights the strategic function of HRM in increasing organisational performance (Armstrong, 2011; Becker & Huselid, 2006; Boxall & Purcell, 2011). For instance, Becker and Gerhart (1996) concluded that an HRM system can help to improve the effectiveness and efficiency of an organisation or significantly contribute to its revenue growth. Another perspective of SHRM is that HRM should be “an equal strategic business partner with operations, finance and marketing” within an organisation in order to meet all business needs and to increase the organisation’s competitive competencies in an uncertain, unstable, and competitive environment (Green, Wu, Whitten, & Medlin, 2006, p. 573).

Scholars such as Becker and Huselid (2006) and Wright et al. (2001) argued that HRM practices may not directly influence organisational performance, an argument that has resulted in the emergence of a “black box” underlying the HRM-performance linkage. For instance, HRM could influence a firm’s productivity, turnover, or financial performance through employee participation, empowerment, and job design (e.g., Huselid, 1995; Pfeffer, 1994), or individualised HRM practices (e.g., Delaney & Huselid, 1996; Huselid, 1995). HRM research has focused on examining the adoption of HRM in enhancing employee motivation and employee involvement (Fey & Bjorkman, 2001; Lawler, Chen, Wu, Bae, & Bai, 2011; Macky & Boxall, 2008; Tsai, 2006). Studies on HRM adoption in Western economies have also demonstrated the outcomes of HRM systems in terms of job satisfaction, productivity, reduced staff turnover, and absenteeism (e.g., Cappelli & Neumark, 2001, Wang, Yi, Lawler, & Zhang, 2011).

SHRM studies have shown that a firm's performance is enhanced when HRM is aligned with and involved in the strategic management process (Huselid & Becker, 2000; Novicevic & Harvey, 2001; Paauwe et al., 2013; Posthuma et al., 2013; Youndt et al., 1996). Proponents of SHRM have argued that HRM needs to transfer from an administrative focus to being integrated with an organisation's strategy (Boxall & Purcell, 2011; Dyer & Reeves, 1995; Golden & Ramanujam, 1985; Miles & Snow, 1984). These arguments highlight that it is essential to pay attention to the roles and status of the HR department underlying the HRM-performance linkage. When HR capabilities are viewed as an organisation's competitive advantage (Barney et al., 2011; Barney & Wright, 1998), the strategic involvement of the HR department enables it to link HRM into the business strategy and show its value in the organisation (e.g., Golden & Ramanujam, 1985; Sheehan et al., 2007; Teo & Rodwell, 2007; Wright et al., 1998). To reach its current state, the HR department in Western economies has experienced significant changes in its roles and status in association with the development and evolution of HRM. The next section presents a historical perspective of the transformation of the HR department's roles and status in the scholarship of SHRM.

2.3. The Transformation of the HR Department's Roles and Status

The evolution of PM to HRM and SHRM has resulted in changes in the roles of the HR department (Ferris et al., 1994; Golden & Ramanujam, 1985; Guest, 1987, 1997; Walker, 1980, 1992). Different models of the HR department's roles have been conceptualised by scholars – from HR playing a passive role to being an active department in the process of strategic management. For instance, during the prominence of traditional PM, the “clerk of works” role related to administrative support activities with no involvement in business planning (Tyson, 1987). Following the adoption of PM within organisations, the HR department played a role as the “contracts manager”, becoming expert in trade union matters and solving daily issues with the unions to

maintain organisational harmony. According to Miles and Snow (1984), once HRM became linked with business strategy, the HR department developed a full partner role with top and line managers related to finance, marketing, and production. Golden and Ramanujam (1985) advocated for a completely dynamic interaction between the HR department and other senior managers whereby the HR department would be regarded as a team member and have the chance to influence the organisation over the long term. Tyson and Fell's (1986) business manager model demonstrated how the HR department could bring about constituent acceptance of its involvement and influence in the organisation. Guest (1987), Tyson (1987), and Hendry and Pettigrew (1990) maintained that focusing on the professionalism of the HR department would increase its political position within the organisation, leading to effective HR policies and practices that could be more easily integrated with the organisation's plans.

Despite studies calling for the increased strategic involvement and influence of the HR department, there was still a lack of an explicit theory of HRM and clear guidance for the HR department as to how it could perform effectively with both strategic and operational focuses (Conner & Ulrich, 1996; Dyer, 1983; Guest, 1987, 1997; Henry & Pettigrew, 1990). The lack of an explicit framework for HR role effectiveness led to the decline in the importance of the HR department and its roles in the strategic management process from the mid-1980s onwards; however, its importance was again recognised in the mid-1990s when SHRM studies attempted to develop theoretical frameworks for the department's roles and status (Kelly, 2001). Ulrich (1997) and Kelly (2001) pointed to the fact that the HR department increased its strategic influence by aligning management development and rewards with long-term business objectives. Evaluating the effectiveness of the HR department became reliant on the roles it played in response to the expectations and perceptions of stakeholders (Truss et al., 2002; Tsui, 1990; Wright et al., 2001). Responding to the call for an

investigation into the changing roles of the HR department, a number of studies have since been undertaken to examine a variety of HR roles that the HR department plays in enhancing organisational performance (e.g., Caldwell, 2003, 2011; Teo & Rodwell, 2007; Ulrich, 1997; Wright et al., 1998).

In accordance with the operational aspect of an organisation, the HR department can be an administrative expert or an operational executor (Dye, 1990; Caldwell, 2003, Kelly & Gennard, 1996; Teo & Rodwell, 2007; Tsui, 1987; Ulrich, 1997, 1998, 2010; Ulrich et al., 2009), an internal consultant (Caldwell, 2003; Hackett, 1988; Schuler, 1990; Storey, 1992; Tsui, 1987; Wiley, 1992), or a policy formulator or implementer/facilitator (Schuler, 1990; Storey, 1992; Wiley, 1992). In relation to the strategic focus of the organisation, prior studies have addressed the roles of the HR department as a shaper of change or change manager (Caldwell, 2003; Schuler, 1990; Storey, 1992; Ulrich, 1997; Ulrich et al., 2009; Wiley, 1992), or as a talent and asset manager (Conner & Ulrich, 1996; Schuler, 1990; Ulrich, 1997; Ulrich et al., 2009). When HRM becomes a source for sustained competitive advantage, the HR department needs to be an effective business partner and a strategic architect coordinating with line managers (Barney & Wright, 1998; Caldwell, 2003; Teo & Rodwell, 2007; Ulrich, 1997; Ulrich et al., 2009). Recently, Ulrich et al. (2013) argued for new HR department roles, as a strategic positioner, a credible activist, a capability builder, a change champion, an HR innovator and integrator, and a technology proponent. These roles are consistent with the new competencies that HR practitioners should develop in order to contribute to organisational effectiveness. The HR department needs to be able to successfully deal with rapid changes in the business environment and the labour market as well as with technology developments (Ulrich et al., 2013). However, empirical evidence evaluating this framework has been lacking, with the exception of the work of Ulrich et al. (2013)

whose findings emphasised a universalistic approach identifying advanced and general competencies for the HR department (Lo et al., 2015).

The HR roles model developed by Ulrich (1997) is one of the most popular frameworks because it reflects both the competing demands of strategic and operational focuses and the conflicting demands among constituents (Caldwell, 2011; Pritchard, 2010; Ulrich & Brockbank, 2005). This HR roles framework also portrays clearly the functional tasks, activities, and interaction of the HR department with employees and line managers at operational and strategic levels (Caldwell, 2011; Conner & Ulrich, 1996; Teo & Rodwell, 2007). Furthermore, Ulrich's (1997) framework offers a way in which the HR department can increase the perceived effectiveness of the HR department's performance (Teo & Rodwell, 2007; Wright et al., 1998). Thus, Ulrich's (1997) framework has been examined and validated in different contexts, such as in the United Kingdom (Caldwell et al., 2011), Australia (Teo, 2002; Teo & Rodwell, 2007), India (Bhatnagar & Sharma, 2005; Bhatnagar, 2007), Malaysia (Yusoff et al., 2010), and Vietnam (Nguyen et al., 2013).

Regardless of the different contexts of these studies, the common finding is that the HR department should be an expert in performing administrative functions in order to encourage line managers to accept its strategic partner role. The finding is consistent with Ulrich's (1997) earlier argument that the HR department needs to be expert in its traditional roles of administration and employee champion while also developing skills to perform strategic partner and change agent roles. However, the argument contrasts with Ulrich et al.'s (2013) current model which places less emphasis on the administrative functions of the HR department. There is recognition that the HR department cannot completely exclude its administrative functions required by line managers even if the HR department is involved in strategic activities. However, in its attempt to be effective in both administrative and strategic roles, the HR department

faces role conflict, which has been discussed in recent SHRM studies (Caldwell, 2003; Cascio, 2005; Kochan, 2004, 2009; Sheehan et al., 2007; Teo & Rodwell, 2007).

The attempt by the HR department to perform various roles at one time, and thus dilute its focus, makes it difficult for other stakeholders to understand the added value of the HR department. This shift to a strategic HRM focus has allowed the HR department to have a place and take a proactive role in the strategic management process (Cascio, 2005; Roehling et al., 2005; Wright & Snell, 2005). However, this shift has been critiqued for its negative impact on old-style HRM responsibility for the management of the communal contract at work (Kochan, 2009; Van Buren, Greenwood, & Sheehan, 2011). Kamoche (2001) argued that the role of employee champion reflects a high appreciation of investment in employees but it has been superseded by other responsibilities. Furthermore, according to Kochan (2004, 2009), the focused collaboration of the HR department with line managers at the strategic level has resulted in a loss of trust and legitimacy with employees. Thus, Kochan (2004, 2009) argued that the HR department needs to obtain a better balance between employer and employee interests. Welbourne (2009, 2012) indicated that the HR department holds a less favourable position than other departments' in an organisation despite the strategic importance of HRM. According to the case in Welbourne's (2012) study, the HR department can be regarded as incapable of performing HRM work. More recently, Sheehan et al. (2014) confirmed that HR practitioners "experience difficulty in successfully enacting this HRM role combination" (p. 125). The authors argued that a combination of HR roles leads to a negative evaluation of the HR department's performance, relating to a reduced respect for HR roles, an increase of employee grievances, and a resistance to communication with HR practitioners (Sheehan et al., 2014).

Despite the HR role tensions, other studies have argued that playing multiple roles enables the HR department to increase its influence because these roles cover the HR department's activities in meeting the conflicting and contrasting interests of constituents (e.g., Caldwell, 2003, 2011; Schuler, 1990; Ulrich, 1997; Ulrich et al., 2013; Ulrich & Brockbank, 2005; Wiley, 1992). Playing an administrative role enables the HR department to ensure operational productivity and efficiency through consistent HR processes and programmes, while the strategic partner role allows the HR department to understand organisational strategies in order to develop and link appropriate HRM activities into strategic implementation (Conner & Ulrich, 1996; Teo & Rodwell, 2007; Wright et al., 1998). The employee champion role shortens the distance between the HR department and employees by increasing understanding and meeting employee demands. In turn, employees increase their commitment to the organisation (Caldwell, 2011; Conner & Ulrich, 1996; Nguyen et al., 2013). The change agent role helps the HR department to forecast and update new HR trends, and develop HRM activities that increase employee competencies for organisational changes (Caldwell, 2011; Ulrich, 1997; Wright et al., 1998). Brown et al. (2009) concluded that HR practitioners are able to manage different role requirements by adopting the unitarist view that focuses on employee-centred activities – a strategic focus – because it generates benefits for employees and for the organisation. Other studies have confirmed that these roles not only bring benefits to the organisation but also improve employee capability and motivation (e.g., Guthrie et al., 2011; Pritchard, 2010; Ulrich, 1997; Ulrich et al., 2009; Wright et al., 1998).

In summary, the transformation of roles and status of the HR department has created an opportunity for the department to have greater influence and involvement in the strategic management process (Ulrich, 1997; Wright et al., 1998). It has been argued that the roles performed by the HR department can affect the perceptions of its added

value within the organisation (Conner & Ulrich, 1996; Ulrich et al., 2009; Wright et al., 1998). For example, its strategic role enables the HR department to engage in strategic activities, integrate with other organisational units, and increase its influence in the strategic planning (Conner & Ulrich, 1996; Kulik & Perry, 2008; Teo & Rodwell, 2007). Simultaneously, its employee advocacy role allows the HR department to recognise employee demands; hence, it can develop appropriate HRM programmes and activities to satisfy the employees' expectations (Ulrich, 1997; Ulrich & Brockbank, 2005). Although the HR role conflicts exist, performing various roles effectively allows the HR department to create a shared understanding of its power and influence among key stakeholders (Galang & Ferris, 1997; Teo & Rodwell, 2007; Wright et al., 1998). The effectiveness of the HR department's performance is critical to its power and influence within the organisation (Ferris et al., 2007; Galang & Ferris, 1997; Sheehan et al., 2007; Teo & Rodwell, 2007). If the HR department performs effectively at the operational and strategic levels, it will gain power and influence among the departments (Ferris et al., 2007; Galang & Ferris, 1997; Galang et al., 1999).

Within the attempts to identify antecedents and consequences of the HRM-performance relationship, research on SHRM has taken different theoretical approaches and engaged in the debate between the universalistic approach and the contingency perspective associated with institutional theory (Boxall & Purcell, 2011; Dulebohn et al., 1995; Delery & Doty, 1996; Kaufman, 2012; Lengnick-Hall et al., 2009; Lepak & Shaw, 2008). Research has also emphasised the examination of determinants of the HR department's effectiveness and its relative outcomes in the HRM-performance link when it is involved in the strategic management process (e.g., Galang & Ferris, 1997; Perry & Kulik, 2008; Sheehan et al., 2007; Teo & Rodwell, 2007; Teo et al., 2011). Galang and Ferris (1997) developed a theory relating to power and influence of the HR department to explain how the HR department can be perceived as effective within the

organisation. The following section presents the theoretical approaches that have been utilised in examining HRM effectiveness.

2.4. Theoretical Approaches in Research on HRM Effectiveness

As the debate between universalistic and contingency approaches is ongoing, this section briefly presents these two SHRM perspectives. Institutional theory and its relationship with the contingency perspective is discussed, followed by a discussion on the theory of power and influence of the HR department. This section aims to highlight the theoretical approach that will be used in this doctoral thesis. The structure of this section is as follows: the first part presents the universalistic approach which emphasises the universalism of HR practices, ignoring the influence of contextual conditions on the adoption of HRM; the second part is a brief discussion of the contingency perspective which highlights the effects of contextual conditions on the adoption of HRM in a specific environment; the third part is a discussion of institutional theory which highlights the isomorphism of HRM adoption between organisations in the same setting; and the last part presents the theory of power and influence of the HR department based on the contingency and institutional perspectives.

2.4.1. Universalistic Approach

The universalistic approach assumes that individual HR practices have a positive (or negative) influence on organisational performance across all organisations and under all conditions (Delery & Doty, 1996). Assumptions of this perspective are relatively simple whereby certain individual HR practices have the same effect on organisational outcomes (Boselie et al., 2005; Clinton & Guest, 2013; Lepak & Shaw, 2008). There is some evidence confirming that certain HR practices exhibit a positive relationship with organisational performance. For instance, Terpstra and Rozell (1993) found a positive relationship between staffing practices and the annual profit of organisations, and Perry-Smith and Blum (2000) illustrated a direct and positive relationship between work-

family policies and firm performance. The universalistic perspective argues for a “best practice” approach to SHRM regardless of a call for the fit between individual HR practices and a particular strategy or a specific organisational context (Boxall & Purcell, 2000; Huselid, 1995; Youndt et al., 1996).

The best practice approach suggests the universal success of HR practices that are increasingly adopted in various organisations without attention to characteristics of institutional settings (Boselie et al., 2005). Even though the best practice approach is seen as best in any situation, Cappelli and Crocker-Heftler (1996) commented that “distinctive HR practices help to create unique competencies that differentiate products and services and, in turn, drive competencies” (p. 7) in organisations with very distinctive HR practices. Similarly, Becker et al. (1997) and Purcell (1999) also criticised that the universalism of best HR practices is difficult to be applied in any situation that depends on the influences of organisations’ business environments on organisational management practices. Hence, it can be concluded that “any prescription for a set of universal HR ‘best practices’ must be informed by the contextual factors that surround their use” (Toh, Morgensen, & Campion, 2008, p. 877).

Indigenous researchers have suggested that Western theories, concepts, and practices that have been developed and tested within the certain contextual conditions of the West maybe fail to be used in non-Western economies due to different historical, institutional and economic backgrounds (e.g., Li, 2012; Meyer, 2006, 2007; Tsui, 2007). For instance, the focus of the Chinese HRM model is the integration of Western HRM values with Chinese traditional values including *guanxi* networks, *ying-yang* thinking, and paternalistic leadership (Li, 2009). Therefore, taking a universalistic approach to examine the adoption of HRM leads to inevitable problems created by the ignorance of other potential factors such as culture and legislation, ownership types and trade union representation (Brewster, 1995, 2007). Organisations can use the knowledge of best

practice to identify what practices are most likely to be applicable and suitable for organisational needs and organisational context. This requires an understanding of why a particular practice is regarded as a best one and why it is critically adopted in the organisation (Armstrong, 2011). Criticisms on the universalistic perspective, such as the internal fit of HR practices or the contextual embeddedness of HR practices, have led to the contingency approach.

2.4.2. Contingency Theory

Changes in Western economies have led to changes in the way Western organisations regard the role of human resources in overall organisational success. The emergence of HRM as a strategic function within organisations has been in response to economic development and institutional changes in Western economies (Miles & Snow, 1984; Dulebohn et al., 1995; Ulrich & Dulebohn, 2015). Recently, knowledge of HRM in Western economies has been transferred and adopted in non-Western entities due to the influence of globalisation and pressure for competitiveness. The universalistic approach allows researchers to explain the direct relationships between HR practices and organisational performance without an examination of the institutional conditions of a specific environment in which HR practices are adopted (Delery & Doty, 1996; Lepak & Shaw, 2008). By contrast, the contingency approach addresses the fact that environmental contingencies might be constraints but they can also be opportunities for organisations to transfer their knowledge of HRM from a specific context to another because these setting contingencies have an influence on organisational structures and managerial processes (Schuler & Jackson, 1987; Legge, 1978).

Contingency theory is associated with the idea of “best fit”, which emphasises the congruence between HR strategies, activities and organisational strategy within the internal and external contexts of organisations (Armstrong, 2011; Clinton & Guest, 2013; Lepak & Shaw, 2008). The best fit approach argues that organisations should

acknowledge the relevant impact of factors of external and internal environments on HRM adoption (Boxall & Purcell, 2011; Delery & Doty, 1996; Paauwe & Boselie, 2003). The best fit approach is perceived as corresponding to the notion that organisations must align their HR practices to support business strategies (Delery, 1998). Contingency theory emphasises that, depending on the setting, organisations must cope with different environmental constraints and opportunities, leading to differences in HRM adoption among these organisations (Paauwe & Boselie, 2003). For instance, it is critical to consider the fit and flexibility of HR practices in terms of legislations, political regulations, labour demands and various business strategies, as well as how these practices relate to organisational performance (Delery & Doty, 1996; Golden & Ramanujam, 1985; Jackson & Schuler, 1995). SHRM studies that have applied the contingency approach point out that the contextual conditions that moderate the efficacy of HR practices include business strategy, industrial characteristics, technological developments, organisational cultures, and management philosophy (e.g., Becker & Gerhart, 1996; Dyer & Reeves, 1996; Galang & Ferris, 1997; Sheehan et al., 2007; Youndt et al., 1996).

A series of studies conducted by Brewster (1995, 2004, 2007) showed that the US HRM model cannot be universalised in European countries due to the distinctive characteristics of European economies. For instance, the Germany economy has greater legislative control over employment relations than in the US system; thus, German companies have a narrower scope of choices in personnel management (Brewster, 1995). Likewise, the individualistic, low power distance, and achievement-oriented culture of the US leads to owners being freed to run their businesses the way that they want and to take individual responsibility for their tasks (Guest, 1990; Hofstede, 2001; House et al., 2004). In contrast, the dominance of a collectivist and high power distance culture means business owners in Europe have to manage and treat their employees in a

socially responsible way and people management in Europe is heavily regulated by state legislation (Brewster, 2007). These studies support the contingency perspective that the adoption of HR practices in a specific context is influenced by the contextual conditions.

The nature of the contingency approach has resulted in an increasing examination of the universal applicability of Anglo-Saxon models of HRM in other economies, particularly developing economies (Budhwar & Debrah, 2001, 2009; Fey, Pavlovskaya, & Tang, 2004). For example, a number of HRM studies have been undertaken in developed and transitional Asian economies (i.e., Japan, Taiwan, South Korea, and China) (e.g., Bae & Rowley, 2004; Huang, 2000; MacVaugh & Evans, 2012; Warner, 2008, 2011). Within developing Asian countries, there have been an increasing number of HRM studies in specific contexts (e.g., Edralin, 2010; Turner, Imbaruddin, & Sutiyono, 2009; Zhu et al., 2008). Also, the diffusion of HR practices in particular emerging European economies (e.g., Russia and Slovenia) has been examined (e.g., Fey & Bjorkman, 2001; Zupan & Kase, 2005). Prior studies have found that the transferability of HRM adoption from Western to non-Western economies is influenced by the institutional systems of different contexts. Although the contingency approach provides an understanding of the contextual influences on the transferability of HRM across contexts, this approach does not explain how the HRM field emerges, develops, and evolves as the development of HRM is associated with institutional and economic changes in a particular context (Dulebohn et al., 1995; Posthuma et al., 2013). Thus, a useful way to understand the development of HRM in developing countries is the utilisation of the institutional approach. In other words, utilising institutional theory helps to explain the historical assessment of HRM and why the best-practice model can be modified and amended in the context of non-Western economies (e.g., Gooderham et al., 1999, 2006; Lawler et al., 2011; Scott, 2008).

2.4.3. Institutional Theory

The assumptions of the contingency approach are consistent with institutional theory to the extent that institutional or contextual determinants have a significant influence on the application of HRM in a specific environment (e.g., Bjorkman et al., 2011; Brewster et al., 1996; Fey & Bjorkman, 2001; Gooderham et al., 1999; Kostova & Roth, 2002). Despite different variants in institutional theory across disciplines and a classification between “old” and “new” institutionalism, this study adopts a perspective of new institutionalism. *New institutionalism* in organisational management area demonstrates that an institutional environment includes the government, regulatory agencies, the professions, social expectations, and leading organisations (Powell & DiMaggio, 2012; Scott, 2008). In other words, institutional contexts are comprised of three components: regulatory, cognitive, and normative institutions (Scott, 2008). *Regulatory institutions* contain laws and rules that endorse certain types of behaviours and restrict others; the *cognitive* component reflects the shared social knowledge by people in a given environment; and *normative institutions* reflect the norms, assumptions, beliefs and values about human action, and define goals and the way people pursue them in a particular country (Scott, 2008; Kostova & Roth, 2002). An organisation is operated under the standardisation of rules and regulations and a hierarchical structure reflecting the broader society (Powell & DiMaggio, 2012; Scott, 2008).

Institutional theorists such as DiMaggio and Powell (1983), Greenwood and Hinings (1996), and Gooderham et al. (1999) maintained that organisations sharing the same environment demonstrate structural isomorphism as they experience similar institutional forces such as the legislation system, national culture, economic development, and market pressures. The isomorphism of an organisation is a signal sent to its internal and external stakeholders that its structures, values, and management practices are consistent with dominant views in a larger society (DiMaggio & Powell,

1983; Meyer & Rowan, 1977; Powell & DiMaggio, 2012; Scott, 2008). The isomorphism of organisations can be illustrated in terms of three mechanisms: the coercive mechanism, the mimetic mechanism, and the normative mechanism (DiMaggio & Powell, 1983; Powell & DiMaggio, 2012). The *coercive mechanism* stems from political influence and power sources such as social partners, labour legislation, and the government. These powerful organisations create pressures on organisations that are dependent on them, and organisations must also meet the cultural expectations of the society (Gooderham et al., 2006; Paauwe & Boselie, 2003). The *mimetic mechanism* gains power when the environment creates uncertainty, resulting in organisations performing standard responses to this uncertainty. Organisations tend to benchmark and implement similar practices or imitate successful or legitimate organisations in their field (DiMaggio & Powell, 1983; Powell & DiMaggio, 2012; Scott, 2008). *Normative isomorphism* is associated with the adoption of standards and routines considered appropriate in a specific environment as well as the relationship between management policies and the background of employees (Paauwe & Boselie, 2003; Scott, 2008). These three mechanisms lead to HRM homogeneity across organisations in the same environment that gains organisations' legitimacy and improves their probability of survival and organisational performance (Greenwood & Hinings, 1996; Heugens & Lander, 2009; Mizruchi & Fein, 1999; Scott, 2008).

Empirical studies in a particular context or on a cross-national level have confirmed these assumptions of institutional theory. For instance, Fey and Bjorkman (2001) utilised institutional theory and provided an understanding of how the Russian institutional environment influences practices of managing people in organisations. They noted that the Russian economic context lacks basic business skills due to the historical absence of capitalist-style businesses. Their study stressed that “most Russian management have limited traditional management training and little experience in many

areas of business” (Fey & Bjorkman, 2001, p. 71). Also, Russians are interested in education and are highly motivated by opportunities to develop competencies and skills (Fey & Denison, 2003). Therefore, training activities are seen as extremely necessary to leverage employee skills and competencies as important sources of competitive advantage.

Institutional theory has been utilised to explain differentiated HR practices at cross-national level based on different institutional mechanisms. For example, Gooderham et al. (1999, 2006) found that the liberal governance in Britain creates opportunities for British firms to experiment with a wider combination of soft and hard HR practices than is the case in France; firms in Germany, Norway and Denmark utilise a low level of calculative HR practices because of the involvement and influence of labour unions, which has led to collective bargaining agreements and a restricted autonomy of management (Kristensen, 1992; Scholz, 1996); and Danish and Norwegian firms are more likely to use collaborative practices than are firms in Spain (Gooderham et al., 1999). Studies have concluded that differences between countries are caused by the institutional settings in which the choice of HR practices is dependent on the specific economic or strategic interests of the firm (Gooderham et al., 1999, 2006). Comparing Japan, China, Korea and Thailand, Rowley and Benson (2002) found convergence and divergence in HRM adoption existing in these countries. In terms of cross-national studies, Fey et al. (2004) found significant differences in HR practices between Russia, Finland and China. Across European countries, Tregaskis and Brewster (2006) also addressed convergence and divergence in the adoption of HRM. Across Asian countries, Zhu et al. (2007) found similarities and differences in people management systems among key developed, newly developing and transitional Asian economies. Festing (2012) concluded that finding a fit between the respective

institutional environment and the adoption of HR practices is important for contributing to business performance.

While institutional theory has been applied to explain the isomorphism between organisations in the same environment (DiMaggio & Powell, 1983; Paauwe & Boselie, 2003; Scott, 2008), it is argued that such organisations use their management practices to make them different, inimitable, and non-substitutable in order to be more successful in both local and global competition (Farndale, Brewster, & Poutsma, 2008). Ownership types can be used to explain differences in the adoption of HR practices by organisations in specific contexts (Gooderham et al., 1999; Kostova & Roth, 2002; Meyer & Rowan, 1977). For instance, Weinstein and Obloj (2002) concluded that advanced and sophisticated HR practices are usually used in organisations such as multinational companies developed in Western economies with a lot of experience in a market economy. As a result, their subsidiaries in other developing economies are likely to adopt more advanced and sophisticated HR practices than are local organisations due to the influence and the standardised HRM systems of headquarters (Bae, Chen, & Lawler, 1998; Bjorkman et al., 2007; Kostova & Zaheer, 1999; Lawler et al., 2011). Public sector organisations in Australia are regarded as adopting a less strategic-orientated HRM approach in managing employees than private sector organisations due to the dominance of bureaucratic management systems in the Australian public sector (Josserand, Teo, & Clegg, 2006; Teo, 2000). Zhu et al. (2008) found that public sector organisations in Vietnam are dominated by PM while private sector organisations have a combination of PM and HRM.

Other studies have given a broader view on institutionalism in studying the development of HRM. For instance, ownership types (e.g., Gooderham et al., 1999; Zhu et al., 2008), economic factors (e.g., Giardini et al., 2005; Gooderham & Norhaug, 2010), and the role of the state or culture and legislation (e.g., Gooderham & Norhaug,

2010; Fey & Bjorkman, 2001) have all been found to influence the development of HRM in Western economies (Dulebohn et al., 1995; Ulrich & Dulebohn, 2015). The contemporary literature demonstrates that the development of HRM is relative to key stages of economic development (Budhwar & Debrah, 2009; Dulebohn et al., 1995). Paauwe and Boselie (2003) argued that HR practices are the reflections of or responses to market pressures and the formal and informal rules and structures of the larger institutional environments. For instance, the idea of personnel management as a separate function was initiated when the Industrial Revolution led to an increasing number of employees in organisations (Dulebohn et al., 1995; Ulrich & Dulebohn, 2015). In the 1980s, globalisation, international competition, institutional changes in regulations, unionisation, and demographic variations occurring in the US led to the growth of HRM scholarship (Dulebohn et al., 1995; Ulrich & Dulebohn, 2015). During this time, the requirements in HR practices such as human capital management, knowledge management and resourcing and performance management resulted in the perception of HRM function as an added value to the organisation (Barney, 2001; Ulrich & Dulebohn, 2015). SHRM has developed in Western economies due to significant changes in the US economy, economic trends in the 1970s, demographic shifts in 1980s, and the difficulties of organisational management. These economic and institutional changes led to the need to examine the linkage between HRM and organisational strategy (Dulebohn et al., 1995; Ulrich & Dulebohn, 2015). In India, the evolution of HRM function has been consistent with the country's institutional and economics changes, from it holding a clerical status during 1930s to being a strategic partner since the 2000s (see for example, Budhwar et al., 2016). These prior studies have confirmed that institutional and economic forces play an important role in influencing the development of HRM in a particular context. In general, previous studies on HRM that have applied a lens of institutional theory concluded that the institutional environment determines the level of

HRM development at national level and the adoption of HRM in organisations (Boon et al., 2009; Gooderham et al., 1999; Roehling et al., 2005).

In short, the contingency perspective and institutional theory argue that HRM can be adopted and modified to be appropriate and applicable for distinct institutional conditions of a specific environment (Collins et al., 2012; Gooderham et al., 1999; Kostova & Roth, 2002; Paik, Chow, & Vance, 2011; Poon & Rowley, 2010). Needless to say, studies utilising the contingency and institutional approaches have contributed to an understanding of the influence of contextual conditions on people management in organisations (Gooderham et al., 2006; Kostova & Roth, 2002; Paik et al., 2011; Rowley & Warner, 2007). Studies on HRM using these approaches have shown that the background of a context plays a vital role in understanding HRM in a specific environment (Cooke, 2016; Jackson & Schuler, 1995). Needless to say, studies utilising the contingency and institutional approaches are appropriate when seeking to understand the importance of context in studying HRM within its specific setting (Clinton & Guest, 2013; Delery & Doty, 1996; Gooderham et al., 2006; Rowley & Warner, 2007). Both approaches argue that the evolution of HRM in a non-Western economy may not match that in Western contexts due to different institutional and economic conditions (Aycaan, 2005; Fey & Bjorkman, 2001; Posthuma et al., 2013; Tregaskis & Brewster, 2006).

In addition, these perspectives help researchers to identify whether theoretical frameworks developed and tested in Western economies can be validated in and generalised to non-Western environments (Gooderham et al., 1999; Jackson & Schuler, 1995; Johns, 2006). Therefore, it is applicable to take the contingency approach and an institutional lens to examine the evolution and development of HRM in a specific context because both approaches provide a logical consideration of the effects of contextual conditions on HRM adoption in a given environment (Delery & Doty, 1996;

Rowley & Warner, 2007). Also, as the contingency approach highlights effects of contextual conditions on the state of HRM such as constituents' perceptions, business strategy, and organisational management systems, institutional theory can be used to explain how contextual conditions determine the legitimate position of the HR department within its organisation (Ferris et al., 2007; Galang & Ferris, 1997; Galang et al., 1999; Sheehan et al., 2007). These theories offer a fundamental base for understanding the power and influence of the HR department and show how the department can ascertain its influence and power when HRM is seen as a strategic function (Ferris et al., 2007; Galang & Ferris, 1997; Sheehan et al., 2007). The next section presents the theory of power and influence of the HR department that was developed based on a lens of contingent and institutional perspectives.

2.4.4. Theory of Power and Influence of the HR Department

An organisation is seen as a political and institutional environment for the HR department to gain its power and influence among other stakeholders. Galang et al. (1999) took an institutional perspective in relation to human resources and argued for HRM legitimacy. Galang et al. (1999) emphasised that the legitimacy of the HR department comes from its ability and performance in meeting requirements of the organisation and its constituents. Other scholars, such as Budd (2004), Freidson (2001), Kochan (2004), and Wright (2008), have concluded that the HR department is involved in a power and status competition with other departments while interacting with other managers and employees, including complying with organisational regulations, strategic goals, and constituents' expectations.

Roehling et al. (2005) and Sheehan et al. (2007) have argued that one of the institutional influences on organisations' management practices is the tendency to have senior HR managers on the board of directors. The presence of an HRM representative on the board is a means of ensuring the legitimacy of the organisation in the larger

external environment when organisations are attempting to replicate specific HRM activities from the others in the same environment (Paauwe & Boselie, 2005; Roehling et al., 2005). However, if companies simply copy or imitate what other organisations are doing, the presence of an HRM representative becomes useless and ineffective because there is no value added to the organisation (Paauwe & Boselie, 2005; Pfeffer, 2005; Sheehan et al., 2007). Pohler and Willness (2014) have also argued that the HR department has to differentiate itself from other managerial occupations by performing HRM activities that fulfil and balance competing interests of stakeholders. These perspectives relating to the HR department's power and influence highlight the need to generate a complete mind-set of what HRM means and why organisations need an HR department (Paauwe & Boselie, 2005; Pfeffer, 2005; Sheehan et al., 2007). For the recognition of the importance of the HR department, the theory of power and influence of the HR department explains a process of ratifying the strategic role of HRM and ensuring it is more involved in the strategic management process (Ferris et al., 2007; Galang & Ferris, 1997; Reichel & Lazarova, 2013; Teo & Rodwell, 2007).

In terms of politics at the individual level, organisational members attempt to pursue their interests and preferences by actively engaging in activities to enhance their power and influence (Pfeffer, 1992, 2009). At the departmental level, subunits can increase power by controlling valued resources (Galang & Ferris, 1997; Hickson et al., 1971; Hinings et al., 1974; Pfeffer, 2009). As Barney and Wright (1998) addressed, human resources have been an important source for organisations' performance. The HR department is urged to increase its power and influence to obtain scarce resources; that is, human resources (Barney & Wright, 1998; Legge, 1978; Watson, 1977; Wright & McMahan, 1992). The HR department's power and influence have become important since the impact of the HRM function on organisational performance has been recognised (Sheehan et al., 2014; Teo et al., 2011; Wright et al., 1998). However, while

studies have focused on power and influence of individuals as a reflection of a department's power, little attention has been paid to the departmental level of power, especially the HR department's ability to exercise its power in the organisation (e.g., Ferris & Judge, 1991; Sheehan et al., 2014). Empirical research utilising the theory of HR department power and influence remains less evident, with the exception of the studies of Galang and Ferris (1997) and Teo and Rodwell (2007).

Galang and Ferris (1997) regarded an organisation as a system of interdependent subunits and addressed that the HR department is among different interest divisions. In the same paper, the two authors demonstrated that the HR department's power is reflected in the allocation of organisational resources and formal authority (Galang & Ferris, 1997). To gain the power, the HR department has to show its ability to add value to the organisation (Galang & Ferris, 1997). As Kochan (2009) and Welbourne (2009, 2012) have argued for an examination of what the HR department really does, Galang and Ferris (1997) and Galang et al. (1999) have highlighted the organisation's institutionalised elements that have an impact on the HR department's performance. A management system and organisational orientations towards human resources are part of institutionalised elements of an organisation (Ferris et al., 2007; Galang et al., 1999; Sheehan et al., 2007). These elements secure the HR department's formal status and give it access to the organisation's resources that the division demands (Brandl & Pohler, 2010; Buller, 1988; Ferris & Judge, 1991; Ferris et al., 2007; Sheehan et al., 2007).

The framework of power and influence of the HR department offers guidance on how this department can gain power and influence among key stakeholders by taking symbolic actions (Brandl & Pohler, 2010; Enns & McFarlin, 2003; Rupidara & McGraw, 2011; Truss, 2009). Galang and Ferris (1997) highlighted that the symbolic actions of the HR department must be less direct, more subtle, and less obtrusive

behaviours than other actions. These symbolic actions show the strategic importance of the HR department to an organisation's success. These actions enable the HR department to acquire organisational resources and to perform a wide scope of HRM activities and programmes (Ferris et al., 2007; Galang & Ferris, 1997; Sheehan et al., 2007). In addition, the theory of power and influence of the HR department illustrates its tasks, functions, and connections with the activities of other departments (Ferris et al., 2007; Galang & Ferris, 1997). This framework emphasises the views or judgements of other stakeholders in an organisation towards the effectiveness of the HR department (Galang & Ferris, 1997; Tsui, 1990). Utilisation of symbolic actions enables the HR department to make multiple stakeholders recognise the benefits from HRM in terms of strategic achievements (Ferris et al., 1995; Galang & Ferris, 1997; Teo & Rodwell, 2007; Sheehan et al., 2007). Subsequently, this framework is seen as relevant when examining the determinants of the HR department's power and influence and the consequent outcomes of its symbolic actions within the organisation (Ferris et al., 2007; Novicevic & Harvey, 2004; Reichel & Lazarova, 2013).

In summary, the previous sections have presented different theoretical perspectives that have been applied in SHRM research. The universalistic approach highlights the worldwide transferability of the HRM model from one context to another without consideration of the contextual effects. The contingency and institutional approaches offer an examination of the influences of contextual conditions on HRM adoption in a specific environment (Delery & Doty, 1996; Rowley & Warner, 2007). Both approaches also provide an essential base for the explanation of the HRM phenomena and the application of HR practices in a particular setting (Gooderham et al., 1999; Jackson & Schuler, 1995; Johns, 2006). An integration of these theoretical approaches with the theory of power and influence of the HR department can explain whether or not the development of HRM in Western economies is similar to its

development in other contexts, and whether the theoretical frameworks of HRM that have been tested in Western economies can be applied and validated in non-Western settings, especially developing economies (Budhwar & Debrah, 2009; Cooke, 2016; Posthuma et al, 2013; Rowley & Warner, 2007). The next section briefly presents the research context of Vietnam, one of the world's fastest developing economies, and a country that has undergone a large number of institutional changes and received a large number of foreign investments over the last 30 years ("Vietnam Overview", 2015).

2.5. Overview of the Research Context

Vietnam is located at a strategic crossroad in the Asia Pacific region, sharing borders with China, Laos and Cambodia. Vietnam is a developing country but its economy has gained significant momentum with many opportunities for doing business in recent times (Bartram et al., 2009; "Vietnam Overview", 2015). To achieve economic development, Vietnam has undergone an economic transition from a centrally planned economy to an open-market one. The process of this economic reform has not only been dependent on Vietnam's economic context but also on the supportive institutional system, the history of the country, and its society (Truong & van der Heijden, 2009; "Vietnam Overview", 2015). The current state of the Vietnamese business setting has been formed by many contextual factors. This section starts with an introduction to the historical context of Vietnam. Next, there is a short presentation of Vietnam's business setting and the country's significant institutional changes over the last 30 years. This section is followed by a short description of the educational system in Vietnam and Vietnamese cultural values concerning management practices. The section ends with a summary of relevant key characteristics of the Vietnamese context that are suitable for the examination of Western HRM models.

2.5.1. A Brief of History of Vietnam

Vietnam has a long and interesting history within Southeast Asia. For much of its history, Vietnam was governed by non-Vietnamese royals. Between 111 BCE and 938 CE, Vietnam was treated as an additional province of China and was managed by the Chinese institutional system. This international relationship was central to Vietnamese from every point of view (Thien, 2005). During the 1,000 years of Chinese governance, the Chinese transferred their skills, techniques, and knowledge of agriculture to Vietnam and the country developed a similar institutional mechanism, including an appreciation of education and training (Ralston et al., 2006). Through this governance, the Chinese created a strong system of rules and regulations that affected the development of Vietnamese culture and civilisation. Vietnamese culture was intensely influenced by Confucianism, which affected the country's society, ethics, and government systems (Thien, 2005). This cultural system was finally weakened by Western colonisation, led by the French in the 1800s.

Colonisation by the French changed Vietnam's administrative and educational systems and reflected Western philosophies. The Geneva conference in 1954 put an end to the French colonial management of Vietnam and divided the country into two separate parts. Between 1955 and 1975, the Vietnamese underwent a civil war with the involvement of the US (Kamoche, 2001). The victory of the Vietnam War in 1975 and the pursuit of communism led to the termination of the political division between the north and south; however, regional differences remain between the two regions in terms of the manners of business operations, customs, work-behaviour orientation and resources (Ralston et al., 2006). Historical features have influenced the business environment and HRM in Vietnam through the integration of Confucianism and communism, and the French and US cultures (Quang & Thang, 2004; Zhu et al., 2007).

After the Vietnam War ended in 1975, the country went through a difficult economic recovery period, with an economic embargo applied on the new Communist state by the US lasting for 19 years. This embargo made it difficult to learn and adopt advanced technology and knowledge from developed Western economies. However, because Vietnam became a member of the Association of Southeast Asian Nations in 1995, the Asia-Pacific Economic Cooperation in 1996, and other global organisations during the 1990s, the country achieved a number of international trade treaties and agreements with other regional economies. Significant economic events such as the Asian financial Crisis in 1997 and becoming a member of the World Trade Organization in 2007 have created more challenges and opportunities for Vietnam in terms of developing and maintaining the nation's competitive advantage (Vietnam Ministry of Foreign Affairs, 2016). To date, the Vietnamese have witnessed developments and changes in the economic and social contexts due to the key economic events (i.e. economic reform in 1986, the Asian financial Crisis in 1997, and WTO membership in 2007). The next section briefly demonstrates Vietnam's economic development over the last 30 years.

2.5.2. Development of the Vietnamese Economy

Since the end of the Vietnam War in 1975, the economy has transformed from a centrally planned system into a free-market economy (Quang, 2006; Quang & Dung, 1998; Vo & Bartram, 2012). The Vietnamese people have witnessed dramatic changes and significant achievements in the economy and in their social life since the beginning of the 1990s (Quang & Thang, 2004; Quang et al., 2008; "Vietnam Overview", 2015). Political and social stability, cheap labour, and geographic proximity to major Southeast Asian markets have attracted a large number of foreign direct investments (FDI) (Budhwar & Debrah, 2009; Cooke & Lin, 2012; Zhu et al., 2007). For instance, Vietnam had an FDI inflow of USD40 thousand in 1986, USD2.2 billion in 1997, and

USD6.7 billion in 2007. This indicator rapidly increased to USD9.2 billion in 2014 (“World Development Indicator”, 2016).

In 1986, the economic reform (Doi Moi) raised significant matters of responsibility and accountability as well as creating changes in the private and public sectors (Kamoche, 2001; Napier, 2005; Truong & van der Heijden, 2009; Zhu et al., 2007). The transformation in these sectors was in response to the government’s recognition of the importance and the contribution made by private businesses to the common wealth of the country. Thus, the government passed business laws, policies and procedures to promote the development of private enterprises (Quang, 2006; “Vietnam Overview”, 2015; Webster & Tausig, 1999; Zhu et al., 2008). As a result, the number of enterprises in Vietnam has continued to increase within three sectors: state-owned, non-state, and foreign investment (see Table 2).

Table 2. Number of Enterprises by Ownership in Vietnam from 2008 to 2010

	2008	2009	2010
Total	205,732	248,842	291,299
State-owned enterprises	3,328	3,364	3,283
Non-state enterprises	196,778	238,932	280,762
Foreign investment enterprises	5,626	6,546	7,254

Source: The real of situation of enterprises through the results of surveys conducted from 2008 to 2010 (General Statistics Office), viewed 26 August 2013, < <http://gso.gov.vn/default.aspx?tabid=719>>

Since Doi Moi, the number of privately owned businesses has increased because of the supportive economic environment created by the implementation of Vietnam’s new trade regulations (Bartram et al., 2009; Quang & Thang, 2004; Zhu & Fahey, 1999, 2000; Zhu et al., 2008). However, the transformation of the Vietnamese economy has also been seen as “a challenging process creating instability and continuous redefining of all the newly reformed/restructured institutions” (Vo & Stanton, 2011, p. 3516). The economic transformation of Vietnam has not been deterministic in nature due to the root causes of the current economic problems (“Vietnam Overview”, 2015; Vo & Stanton, 2011). Also, the subsystems including the state, finance, education and training, and

business associations, and networks have been permanently under pressure due to changes and innovation brought about by the economic transformation (Vo & Stanton, 2011). However, despite difficulties from the local and international business environments, the Vietnamese economy has shown high rates of growth and inhibited the rate of inflation for all economic sectors, thus allowing the pursuit of organisational strategies and trade transactions (“Vietnam Overview”, 2015).

Overall, Vietnam had a growth rate averaging 6.4% per year over the first decade of the 2000s. In particular, the real annual GDP growth showed an impressive performance of a 7.5% increase between 1995 and 2005. In the period 2005–2007, there was an increase in the real annual GDP of up to 8% per year (“World Development Indicators”, 2013). Since 2008, nonetheless, the global financial crisis and subsequent economic recession have slowed Vietnam’s economic growth since 2008. Furthermore, economic development in Vietnam has occurred in an unstable and complicated environment, with fluctuations in crude oil prices, inflation, natural crises and agricultural diseases (“Vietnam Development Report – Modern Institutions”, 2010). As a result, GDP growth in 2010 had declined to an estimated 6.78% (“World Development Indicators”, 2013), and by 2011, the growth had declined further, to 5.88% (“World Development Indicators”, 2013) and then to 5.03% in 2012 (“World Development Indicators”, 2013). The government emphasised that the Global Financial Crisis and unsolved public debts in Europe had obstructed economic development, leading to the demise of various small and medium enterprises in Vietnam (“Vietnam Development Report”, 2012). However, because of an increase in domestic demand, the real annual GDP accelerated to 6.3% in the first half of 2015 (“Vietnam Overview”, 2015).

To date, the Vietnamese government has attempted to create and maintain a stable macroeconomic environment, social equities, and a socio-political structure

(“Vietnam Overview”, 2015). However, bouts of macroeconomic turbulence have threatened Vietnam’s competitiveness and eroded investor confidence. Therefore, the government has emphasised three key priorities in its socio-economic development strategy from 2012 to 2020: promoting the development of a skilled labour force, stabilising the economic infrastructure, and strengthening market-based institutions (“Vietnam Overview”, 2015). As emphasised in HRM research, the focus on human assets for an organisation’s success has been stressed in Vietnamese organisations (Quang & Thang, 2004; Quang, 2006; Zhu et al., 2008). Therefore, building and managing human capital strategically has been important for Vietnam in the face of pressure from increasingly global competition (Truong & van der Heijden, 2009; “Vietnam Overview”, 2015). In order to build up a competent labour force that can engage in competition, the Vietnamese education system plays a key role in leveraging workforce competence. The next section presents the educational context of Vietnam since the economic reform.

2.5.3. Educational Context of Vietnam

Vietnam has a large population with more than 90 million people living in 63 provinces and cities (“World Development Indicators”, 2014). Despite the large population, the Vietnamese education and training system has achieved great progress with a large proportion of the population accomplishing a basic education level. The average education level is nine years of schooling, with 93% of Vietnamese youth attending schools (The World Bank, 2009). These indicators show that Vietnam has a young and literate labour force that has attracted foreign direct investments over the last 30 years (“Vietnam Development Report”, 2012). In addition, the implementation of a national strategy in education and training development has resulted in diverse types of training institutions and tertiary-level providers. The number of colleges, universities and other

education and training institutes has increased from 101 in 1987 to more than 556 in 2016 (Vietnam Ministry of Education and Training, 2016).

Since the economic transformation of 1986, the reform of the tertiary education system in Vietnam has included changes in the structure of degrees taught in colleges, universities, and other education institutions, types of occupations and forms of training. Importantly, since the country joined the broader regional and global markets, the amount of educational cooperation with other foreign countries has been increasing. For instance, during the period 2008–2009, there were 31 international treaties and agreements. In 2015, 211 international collaborative programmes were approved for implementation in 82 Vietnamese education and training institutions (Vietnam International Education Department, 2015). This indicator shows a high level of accomplishments by the Vietnamese tertiary education system and a better opportunity for a higher level of training capability (Vietnam International Education Department, 2015). This significant progress in educational reform has meant that Vietnam is in a better position to engage in educational competition with other countries that have similar capital income.

Nevertheless, the large number of tertiary education institutions and the high level of international collaboration have caused difficulties in managing the quality of education in Vietnam. Within universities and colleges, the slow process of change management and discipline development means that the quality of the education system in Vietnam has not met the requirements of economic and social growth in terms of industrialisation and modernisation. The education system has not created standards for learner competencies and for trainers and education investors (Vietnam Ministry of Education and Training, 2014). In addition, the education system has not contributed to improving the quality of human resources, which is considered to be the country's strength in global competition (Vietnam Ministry of Education and Training, 2014).

These educational issues point out the need for research on human resource management in Vietnam by utilising Western literature and philosophy that have been transferred to Vietnam through international collaborative programmes and foreign investment companies operating in Vietnam.

2.5.4. Vietnamese Cultural Values in Management Practices

The historical dominance of China has had a strong influence on Vietnamese culture, and Vietnam's cultural traditions have, in turn, influenced the political environment and organisational and employee relationships (Kamoche, 2001; Quang & Thang, 2004; Zhu, 2002, 2005; Zhu et al., 2007). For instance, the influence of Confucian morals on the education system and family relationships has resulted in a hierarchical structure within both Vietnamese society and organisations' management systems (Quang & Thang, 2004; Kamoche, 2001; Le, 2005; Quang, Swierczek, & Chi, 1998; Zhu & Fahey, 2000). Vietnam's business culture has been recognised as having a high level of bureaucracy with an emphasis on regulation and formal authority (Kamoche, 2001; King-Kauanui et al., 2006; Truong & van der Heijden, 2009). Similarly, scholars such as Kornai (1992), Michailova and Husted (2003) and Napier (2005) have illustrated that management systems in Vietnamese organisations consist of power centralisation, strong hierarchy and paternalistic supervision.

Management philosophies and core values certainly affect the managerial practices of an organisation in a certain context (Bae & Lawler, 2000; Lewin & Yang, 1992; Scott, 2008). Zhu (2002, 2005) demonstrated Vietnam's HRM dimensions in work relations (teamwork), employee relations (adherence to rules, individual performance pay, harmonisation of work conditions, lifelong employment, secured and authoritative working environment), and employee involvement (individual grievance/complaint). People management activities are influenced by a set of values including "the noble man", hierarchy, "mandarin career", respect for seniority, "middle

of the way” (Chinese), divide and rule, elite system, individualism (French), grassroots democracy, delegation (American), egalitarianism, and collective decision making and responsibility (socialism). Thang et al. (2007) found underlying cultural assumptions in management within Vietnamese organisations. For example, in performance (e.g., Vietnamese believe “people are not fully perfect”), feedback (e.g., ‘better be frank now than upset later’), employee involvement (e.g., “nine persons hold ten opinions”), and self-managed work teams (e.g., “King’s rule is transcended by village’s regulation”) (Thang et al., 2007, pp. 119–121). Tuang and Stringer (2008) concluded that Vietnamese workers embrace the principles of harmony, acceptance of formal management structure and conflict avoidance as a social process and the accomplishment of goals through interpersonal encouragement. These cultural values may be seen in all organisations throughout the country (Quang & Thang, 2004; Truong & van der Heijden, 2009).

The different types of ownership has created a flexible environment as well as gradually introduced different managerial practices (Quang & Thang, 2004; Quang, 2006; Zhu et al., 2008). To date, the traditional values of Confucianism work together with socialist and Western ideologies – the three value systems arising from Vietnam’s challenging history of domination by China, and the French and American invasions. Zhu (2005) argued that Vietnamese cultural traditions and political environment make people management in Vietnam different from that in other countries, hence complicating HRM research. Unlike other countries, there is a mix of old and new ways of thinking and doing in people management across Vietnamese organisations (Bartram et al., 2009; Vo, 2009; Zhu, 2002; Zhu et al., 2007; Zhu et al., 2008; Zhu & Verstraeten, 2013). However, Vietnamese organisations still place a strong emphasis on regulations and formal structures that reflect a bureaucratic business culture based on the history and culture of Vietnam (Berrell, Wright, & Hoa, 1999; Deshpande, Farley, & Bowman,

2004; Kamoche, 2001; King-Kauanui et al., 2006). These cultural characteristics make Vietnam different from Western cultures, such as the US, that focus on the individual, low power distance, and achievement orientation based on individual responsibility. Therefore, a lack of understanding of the Vietnamese culture could lead foreign managers to poor decision making (Borton, 2000; King-Kauanui et al., 2006; Quang et al., 2008; Zhu & Verstraeten, 2013). Foreign managers should consider local culture, work values and the role of the political structures in order to localise management practices to fit the social/cultural environment of Vietnam (Kamoche, 2001; Quang, 2006; Thang et al., 2007; Zhu, 2002; Zhu et al., 2008).

2.5.5. Summary

Generally speaking, becoming a lower-middle-income country in less than 20 years means that Vietnam has become one of the most outstanding transitional economies in the world (“Vietnam Development Report”, 2012). Vietnam has experienced high rates of economic growth, rising foreign direct investments, vigorous exports and a dynamic workforce (“Vietnam Development Report”, 2012). Under the influence of globalisation and international competitiveness, Vietnam’s institutional system, such as regulations, policies and infrastructure, has changed in order to create a dynamic and flexible economic market so that all economic sectors can exploit opportunities from globalisation. To be more competitive, Vietnam has to create a competent labour force that is capable of adding value and increasing organisational performance (“Vietnam Development Report”, 2012). Institutional changes and influences have led to a rise of interest in doing research on HRM in Vietnam. Studies on HRM in Vietnam have affirmed the influence of the integration of Western and Eastern cultures and political environments on people management practices (Quang & Thang, 2004; Quang, 2006; Zhu, 2002, 2005; Zhu et al., 2008). This integration highlights why it is important to investigate the extent of its impact on HRM in Vietnamese organisations. It is also

likely that the practice of people management in Vietnam faces the challenge of integrating the Western values that underpin HRM with Vietnamese traditional values, especially in those firms with foreign ownership (Kamoche, 2001; Quang & Thang, 2004; Zhu et al., 2007; Zhu et al., 2008). The different aspects of Vietnam's business, educational and cultural contexts offer an opportunity for HRM research using a contingency and institutional lens to examine whether or not Western literature and the theoretical frameworks of HRM can be utilised in this country. The next section presents research gaps in the contemporary literature that leads to the development of research questions that will be investigated within the context of Vietnam.

2.6. The Development of the Research Questions

Based on the review of the theoretical frameworks used in understanding HRM effectiveness, the present study will adopt the contingency and institutional theoretical perspectives. Contingency and institutional theorists have concluded that environmental elements determine the extent of HRM evolution at the national level as well as the adoption of HRM within organisations (Brewster et al., 1996; Boon et al., 2009; DiMaggio & Powell, 1983; Gooderham et al., 1999; Roehling et al., 2005). The history of HRM evolution indicates that the developments of HRM literature and practices in Western economies are consistent with changes in the economic systems (e.g., Dulebohn et al., 1995; Lengnick-Hall et al., 2009; Miles & Snow, 1984; Ulrich & Dulebohn, 2015). Findings in HRM studies also show that HR practices within an organisation are influenced directly and indirectly by internal and external factors such as government policy and regulations, global trends, institutional and functional social contexts, organisational cultures and enterprise ownership types (Aycan, 2005; Fey et al., 2004; Jackson & Schuler, 1995; Rowley & Benson, 2000, 2003; Tregaskis & Brewster, 2006; Ulrich et al., 2009).

Prior SHRM research using contingency theory has emphasised that a consideration of environmental and organisational conditions is an important prerequisite for any further analysis of the applications of HRM within a specific environment (Becker et al., 1997; Cappelli & Crocker-Hefter, 1996; Paauwe & Boselie, 2003; Purcell, 1999; Toh et al., 2008). Under the impact of globalisation and international competition, studies have separately employed either the contingency or institutional theory to examine the universalistic transferability and application of HRM literature from one economy to another, especially in developing economies (e.g., Gooderham et al., 1999; Farndale & Paauwe, 2008; Rosenzweig & Nohria, 1994; Tregaskis & Brewster, 2006; Vo & Stanton, 2011). Cooke (2016) argued that researchers need a greater systematic analysis of the contextual conditions within which HRM develops before testing the applicability of HRM theoretical frameworks in developing markets. This thesis is in response to Cooke's (2016) call for the systematic examination of the relationship between institutional settings and HRM development in a developing economy experiencing a lot of institutional changes. Thus, the current thesis examines two research questions:

Research Question 1 (RO1)

How has HRM in Vietnam emerged, developed, and evolved in relation to changes in HRM research over the past 30 years?

Research Question 2 (RO2)

How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?

When HRM is a key factor in sustaining competitive advantage, it is critical for HRM research to examine the HRM role in adding value to the organisation (Arthur & Boyles, 2007; Ferris et al., 2007; Guest, 2011; Jackson et al., 2014; Paauwe et al.,

2013). As shown in the earlier section, studies have provided empirical evidence of the direct and indirect influences of HRM on organisational outcomes. However, there are also other issues worth consideration. For instance, Guest (2011) asked “What impact does HRM have on performance?” (p. 7). His question reflects two directions for further HRM studies: “Under what circumstances does HRM have an impact on performance?” and, “What is the process whereby HRM can have an impact on performance?” (Guest, 2011, p. 7). To answer these questions, prior research has argued for an investigation of the HR department’s added value underlying this HRM-performance relationship (Buyens & De Vos, 2001; Ferris et al., 2007; Galang & Ferris, 1997; Truss et al., 2002; Welbourne, 2009, 2012; Wright et al., 1998). Other noticeable queries in the literature have urged HRM research to bring a new focus on employing contingency and institutional perspectives to understand the precursors and consequential outcomes of the HR department’s effectiveness within its setting (Boselie et al., 2005; Combs et al., 2006; Paauwe & Boselie, 2003; Thompson, 2011; Welbourne, 2009, 2012).

Additionally, prior research has argued that the HRM-performance relationship cannot be better understood without an investigation of the HR department’s contribution to this relationship (Ferris et al., 2007; Galang & Ferris, 1997; Truss et al., 2002; Welbourne, 2009, 2012; Wright et al., 1998). As shown in the earlier section of this chapter, the theory of power and influence of the HR department highlights symbolic actions that influence the perceptions of the HR department’s importance within the organisation (Galang & Ferris, 1997). While the HR department’s roles and strategic involvement affect line managers’ perceptions of the critical role of HRM, the HR department’s effectiveness becomes important if it is to retain its value among conflicting interests in the organisation (Galang & Ferris, 1997; Sheehan et al., 2007; Stiles & Trevor, 2006; Uen et al., 2012). Research by Ulrich and his colleagues provides an additional view of power and influence of the HR department (Ulrich,

1997; Ulrich et al., 2009; Ulrich et al., 2013). Ulrich (1997) argued that the HR department's roles increase the view of HRM credibility and influence via the department's participation in operational and strategic activities. These HR roles also gain stakeholders' acknowledgement and appraisals of the HR department's contribution to the organisation (Ulrich, 1997; Ulrich et al., 2009; Ulrich et al., 2013). However, Ulrich's (1997) HR roles framework does not consider determinants of the HR department's roles (Aldrich et al., 2015). The desire of the HR department to be more strategic may depend on perceptions of senior managers towards its effectiveness. The HR department needs to know how to show its perceived effectiveness when performing operational and strategic responsibilities because of the multiple divisions and distribution of authority among constituents (Ferris et al., 2007; Galang & Ferris, 1997; Galang et al., 1999; Sheehan et al., 2014). Although some studies have currently examined determinants of the effectiveness of the HR department and its consequent contribution to an organisation (see, for example, Galang & Ferris, 1997; Teo & Rodwell, 2007; Teo et al., 2011; Sheehan et al., 2007; Sheehan et al., 2014; Wright et al., 1998), studies in this field are still nascent. There also remains a lack of a broader understanding of the impact of an organisation's institutionalised elements on the perceptions of the HR department's effectiveness (Ferris et al., 2007; Guest, 2011; Paauwe et al., 2013; Welbourne, 2009, 2012). Globalisation has resulted in an increasing interest in conducting research in developing economies because these settings have theoretically interesting institutional contexts and have the potential to validate and generalise HRM literature (Budhwar & Debrah, 2009; Meyer, 2007; Cooke, 2016). Therefore, this thesis examines the antecedents and consequences of HR department effectiveness that have been raised in HRM literature in the context of Vietnam through the next two research questions:

Research Question 3 (RQ3)

What factors determine the effectiveness of the HR department in an organisation?

Research Question 4 (RQ4)

What contributions can the HR department make to the organisation when the department is perceived to be effective?

It is argued that organisations in a particular environment may have different management practices due to different types of ownership (Gooderham et al., 1999; Kostova & Roth, 2002). Resource dependence theory notes that management practices are used to reflect the power distribution within organisations (Jackson & Schuler, 1995; Wright & McMahan, 1992). Therefore, organisations that are operated in a centrally planned economy are likely to have more informal and simpler HR practices than do organisations with a lot of experience in a market economy (Weinstein & Obloj, 2002). In fact, foreign subsidiaries of US multinational companies still adopt their own, nationally idiosyncratic practices compared with the practices of the subsidiaries of Western European multinational companies (Gooderham et al., 1998, 2006). In addition, domestic and multinational organisations appear to have divergent HRM adoption policies, procedures and practices within an economy (Farndale et al., 2008).

In Vietnam, research on HRM has shown divergent HRM adoption among organisations due to their distinctively different backgrounds (Bartram et al., 2009; Thang & Quang, 2005a; Zhu et al., 2008; Zhu & Verstraeten, 2013). For example, private sector organisations have shown an ability to learn new management systems in contrast to public sector organisations which are affected by a centrally planned economy and do not innovate their personnel management system (Zhu et al., 2008). Changes in the adoption of HR practices in the private sector could be derived from Vietnam's economic transition. As a result, private sector organisations have a chance

to create more jobs and attract a qualified labour force by adopting new HRM ideas (Quang, 2006; Zhu et al., 2008; Zhu & Verstraeten, 2013). As Gooderham et al. (1999, 2006) have addressed, the adoption of HRM is dependent on ownership types. Therefore, in relation to the institutional perspective, this thesis will investigate whether line managers in private and public sectors perceive the HR department's effectiveness differently. This thesis therefore proposes the following question:

Research Question 5 (RQ5)

Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?

2.7. Summary of Chapter 2

The previous sections in Chapter 2 summarised the historical perspective of HRM development and the transformation of HR roles and status in Western economies. As presented above, contingency theory offers a better understanding of HRM adoption under the influence of contextual conditions of a specific setting. It is argued that utilising the contingency lens allows researchers to investigate the adoption of HRM in different contexts. Institutional theory highlights the influence of institutional factors on the state of HRM in a particular country. On the one hand, these theories explain the isomorphism of organisations' practices in managing employees in the same environment. On the other hand, scholars such as Farndale et al. (2008), Zhu et al. (2008), and Lawler et al. (2011) highlighted that the heterogeneity of organisations' practices occurs due to different ownership types. The integration of these approaches becomes useful in investigating the development of HRM in a developing economy that has different institutional features from Western environments. Likewise, these theories play a fundamental role in investigating the roles and status of the HR department and its alignment with the development of HRM. A combination of these perspectives coupled with the theory of power and influence of the HR department can be used to

provide a comprehensive examination of antecedents and consequences of the HR department's effectiveness in the HRM-performance relationship.

The remaining sections in Chapter 2 presented the research context. As recently argued by Budhwar and Debrah (2009) and Cooke (2016), it is important to expand HRM literature in the context of developing economies because these economies have undergone a lot of institutional changes. The research context in this thesis is Vietnam. Vietnam has proved to be one of the fastest developing economies over the last 30 years. Under the influence of globalisation, the developments in Vietnam's economy, educational provisions and cultural environment provide an appropriate context in which to conduct HRM research using contemporary literature. Chapter 2 ends with the development of five research questions created through the lens of contingency and institutional theories and the theory of power and influence of the HR department.

Research Question 1 (RO1)

How has HRM in Vietnam emerged, developed, and evolved in relation to changes in HRM research over the past 30 years?

Research Question 2 (RO2)

How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?

Research Question 3 (RO3)

What factors determine the effectiveness of the HR department in an organisation?

Research Question 4 (RQ4)

What contributions can the HR department make to the organisation when the department is perceived to be effective?

Research Question 5 (RQ5)

Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?

The first two research questions focus on the examination of the influence of the institutional context on the development and evolution of HRM in Vietnam. As Vietnam has joined the global market, there is a need to investigate how the HR department can perform strategically to add value to the HRM-performance relationship. This research continues to examine antecedents and consequences of the HR department's effectiveness by aiming to answer research questions 3 and 4. The last research question highlights the differences between public and private sector organisations that have been found in institutional theory. Chapter 3 now presents the research design and methodology used in this study.

CHAPTER 3

RESEARCH DESIGN

3.1. Introduction

Chapter 3 outlines important perspectives in relation to the overall design of the current thesis. The structure of this chapter is as follows. The first section delineates ontological and epistemological considerations. Next, a brief description of the research design corresponding to each of the four studies is introduced. In particular, an explanation of the use of the content analysis approach using Leximancer in Study 1 is presented. To test the proposed models in Study 2, Study 3, and Study 4, this chapter outlines the utilisation of survey questionnaires. The next section outlines key issues in relation to the conduct of semi-structured in-depth interviews in pilot studies. The structural equation modelling (SEM) approach, which has been employed in management studies, is presented. The relevance of the SEM approach and important issues about data analysis are presented in the subsequent sections. Finally, the chapter ends with a section on the ethical issues that needed to be considered during the implementation of the doctoral research.

3.2. Ontological and Epistemological Considerations

Are there methods that can lead us close to understanding, or are there inherent indeterminacies in all methods? Is knowledge of the world discovered, or constructed? Can knowledge of the world be evaluated independent of social and historical contexts in which it exists, or is it always contingent upon, or relative to, particular circumstances? (Pallas, 2001, p. 6)

Ontology is about the researcher's beliefs in the nature of reality that determine the way things are examined (Bryman & Bell, 2011). Ontological considerations are relative to the question of whether or not social objects can (should) be considered as objective settings that have a reality external to social actors (Bryman & Bell, 2011; Hindle, 2004). There are two perspectives on ontological considerations: objectivism and constructionism (Bryman & Bell, 2011). I have adopted objectivism in this thesis

because I believe social phenomena and their meanings exist independently of social actors. I agree with institutional theorists such as DiMaggio and Powell (1983), Meyer and Rowan (1997), and Scott (2008) that an organisation is a tangible object that has its own mission statement, rules, and regulations, and is external to the individuals who are part of it. Individuals in an organisation are appointed to perform different jobs within a division of labour, and learn and apply the rules, regulations, and organisational values in their behaviours and interrelationships with others (Scott, 2008). Individuals in an organisation also have to get things done based on the organisation's legislative procedures and processes. To the external environment, an organisation is operated under the standardisation of rules and regulations, as well as a hierarchical structure reflecting the broader society so that the organisation can be seen as legitimate (Powell & DiMaggio, 2012; Scott, 2008). Individuals in a society socialise in a wide variety of cultures and subcultures which results in them being good inhabitants and full participants in society (Meyer & Rowan, 1977; Powell & DiMaggio, 2012; Scott, 2008). Organisational practices including HR practices are influenced by and must comply with conditions of the external and internal environments for the purpose of organisational survival and competition (DiMaggio & Powell, 1983; Gooderham et al., 1999; Jackson & Schuler, 1995; Meyer & Rowan, 1977; Scott, 2008).

Epistemological considerations are related to the relationship between reality and the researcher and how things in a discipline can be known, generated or studied (Bryman & Bell, 2011; Hindle, 2004). Epistemology is "the study or a theory of the nature and grounds of knowledge especially with reference to its limits and validity" (Hindle, 2004, p. 581). Haverland and Yanow (2012) stated that a lack of an awareness of underlying philosophical assumptions causes inconsistencies, and reduces the quality and validity of the research work. Therefore, the choice of philosophical paradigm is important because it primarily depends on the way researchers perceive and obtain

knowledge, and treat the data (Grant & Giddings, 2002; Hindle, 2004). The social and behavioural sciences have diverse classifications of research paradigms which lead to debate and confusion for researchers (Haverland & Yanow, 2012). For example, Myers (2010) addressed three paradigms: positivist, interpretivist, and critical research; Guba and Lincoln (1994) suggested positivist, post-positivist, critical theory, and constructivist study; and Grant and Giddings (2002) mainly analysed four paradigms: positivist, interpretivist, radical, and post-structural paradigms. A simple approach would be “two ways of knowing” that researchers can consider: positivist and interpretivist paradigms (Haverland & Yanow, 2012, p. 403). This study adopts a positivist epistemological assumption and posits that the body of knowledge on HRM can be tested and investigated independently from the researcher’s stance based on the laws that are revealed by the gathering from the facts (Bryman & Bell, 2011; Myers, 2010).

A positivist epistemological approach influences how we collect data about HRM. Firstly, organisational stakeholders can recognise the contribution of the HR department when it is able to show its effectiveness (Ferris et al., 2007; Ferris & Judge, 1991; Galang & Ferris, 1997; Teo & Rodwell, 2007). The effectiveness of the HR department is evaluated based on what and how this department can do to meet the expectations and demands of the organisation and other stakeholders (Truss et al., 2002; Tsui, 1990; Ulrich & Dulebohn, 2015; Wright et al., 1998). Secondly, HRM activities of the HR department have to be aligned with organisational norms and regulations so that the HR department can be accepted for its legitimate and strategic function (Ferris et al., 2007; Galang & Ferris, 1997; Galang et al., 1999). Thirdly, as there is a possibility of generalising Western literature in non-Western contexts, as evident in prior studies (see for example, Bae & Rowley, 2004; MacVaugh & Evans, 2012; Warner, 2011; Zupan & Kase, 2005), the choice of positivism helps to “provide material for the development of

laws” (Bryman & Bell, 2011, p. 15) or “develop law-like generalisations” (Myers, 2010, p. 40). It is argued that Western literature on HRM has been introduced, adopted, and diffused in the Vietnamese context (Nguyen et al., 2013; Truong & van der Heijden, 2009; Vo & Bartram, 2012). Thus, a positivist paradigm is relevant to this doctoral study as it aims to understand HRM development in Vietnam by testing and generalising the application of theories developed in the West.

In summary, a positivist paradigm is adopted in this doctoral thesis. It is first of all important to determine what constitutes the validity of a research along with the associated methods (Haverland & Yanow, 2012). Also, it is important to ensure the interrelationships and consistencies between research methods and underlying philosophical assumptions because they reflect research goals or the purposes of the study (Haverland & Yanow, 2012). All these considerations generated by scholars will be presented in the following sections, concentrating on a presentation of the research design consistent with the choice of a positivist paradigm.

3.3. Research Design

3.3.1. Positivist Considerations

Using a positivist paradigm encourages the researcher to minimise the degree of the researcher’s interference with or contamination of the research objects (Guba & Lincoln, 1994; Suddaby, 2006). Additionally, adopting a positivist paradigm ensures data are obtained systematically through measurable variables (Grant & Giddings, 2002; Hesse-Biber & Leavy, 2006; Haverland & Yanow, 2012; Myers, 2010). Data can be found by verifying hypotheses generated from the literature review (Grant & Giddings, 2002). The main purpose of positivist research is to clearly understand the correlations of variables and demonstrate as possible causal-effect relationships among variables as well as to control and predict the phenomenon through generalisations to a larger population (Grant & Giddings, 2002; Guba & Lincoln, 1994; Haverland & Yanow,

2012; Myers, 2010). Bearing in mind positivist assumptions, the following sections present the development of the four studies in this current thesis.

3.3.2. Brief Introduction to the Four Studies

The role of research is to develop theories, contribute knowledge to society, and provide solutions for organisational problems (DeNisi et al., 2014). Thus, research on any area reflects what is happening to a society or a specific environment that is consistent with the stages of its economic development and contextual conditions (DeNisi et al., 2014; Posthuma et al., 2013). In accordance with the role of research, an examination of the contextual conditions is a primary step in identifying the development and adoption of HRM in a certain economy (Budhwar & Debrah, 2009; Cooke, 2016; Lengnick-Hall et al., 2009; Poon & Rowley, 2010). This doctoral thesis is characterised by four studies that provide a comprehensive knowledge of HRM development in Vietnam. In response to the first two research questions, Study 1 utilised content analysis using Leximancer to examine the influence of key stages of economic development on HRM evolution in Vietnam. An overall review of HRM research in Vietnam over the last 30 years is important to identify the contextual conditions for the current status of the HR department.

Vietnam is a country with a high level of legitimate and formal authority (Kornai, 1992; Michailova & Husted, 2003; Napier, 2005). Empirical studies in Vietnam have found that formal authority forms the managerial relationship and communication between individuals in organisations (Hofstede, 2001; Kamoche, 2001; Thang et al., 2007; Truong & van der Heijden, 2009). Thus, Study 2 scrutinised whether formal authority affects the perceptions of the HR department's effectiveness. When Vietnam joined the global market, the HR department was urged to be more strategic and effective in adding value to organisations (Quang & Thang, 2004; Truong & van der Heijden, 2009; Zhu et al., 2008). Line managers assess the performance of the HR

department not only through its contribution to the strategic management process, but also through the daily activities undertaken by the HR department (Guest & Conway, 2011; Paauwe et al., 2013; Teo & Rodwell, 2007; Wright et al., 2001). Therefore, Study 3 and Study 4 concentrated on examining antecedents and consequences of the effectiveness of the HR department at the operational and strategic levels.

In order to ensure the quality of translation and relevance of the proposed models in the Vietnamese context, the researcher conducted a pilot investigation involving semi-structured in-depth interviews in each study. As the aims of Study 2, Study 3 and Study 4 were to test hypothesised causal relationships between variables, the SEM approach was mainly used in each of these three studies. To validate and generalise research findings in Study 2 and Study 3, the researcher collected a second data set of quantitative data from participants who were not involved in the main studies. Different techniques were used for the validation of research findings (see below). The four studies in this thesis are summarised in Table 1. The next sections present the data collection process and a discussion of the positivist perspective utilised in the methodology of each of the four studies; that is, Leximancer, semi-structured in-depth interviews and surveys.

Table 1. Summary of the Four Research Studies

Research question	Study		Purpose	Method
<p>RQ1: How has HRM in Vietnam emerged, developed, and evolved in relation to changes in HRM research over the past 30 years?</p> <p>RQ2: How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?</p>	<p>Study 1 Development of human resource management in Vietnam: A semantic analysis</p>	<p>Content analysis</p>	<p>To understand the association between the evolution of HRM and the key stages of economic development in Vietnam</p>	<p>Content analysis</p>
<p>RQ3: What factors determine the effectiveness of the HR department in an organisation?</p> <p>RQ5: Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?</p>	<p>Study 2 Perceived formal authority and the effectiveness of the HR department in Vietnam</p>	<p>Pilot study</p>	<p>To check and validate constructs and questionnaire items</p>	<p>Semi-structured in-depth interviews</p>
		<p>Main study</p>	<p>To test the hypotheses</p>	<p>Survey</p>
		<p>Validating study</p>	<p>To validate the findings</p>	<p>Survey</p>
<p>RQ3: What factors determine the effectiveness of the HR department in an organisation?</p> <p>RQ5: Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?</p>	<p>Study 3 HR orientations and HR department effectiveness in Vietnam</p>	<p>Pilot study</p>	<p>To check and validate constructs and questionnaire items</p>	<p>Semi-structured in-depth interviews</p>
		<p>Main study</p>	<p>To test the hypotheses</p>	<p>Survey</p>
		<p>Validating study</p>	<p>To confirm the findings</p>	<p>Survey</p>

Research question	Study		Purpose	Method
<p>RQ3: What factors determine the effectiveness of the HR department in an organisation?</p> <p>RQ4: What contributions can the HR department make to the organisation when the department is perceived to be effective?</p>	<p>Study 4 Line managers' perceptions of HR department effectiveness and organisational performance in Vietnam</p>	Pilot study	To check and validate constructs and questionnaire items	Semi-structured in- depth interviews
		Main study	To test the hypotheses	Survey

3.3.3. Timeline and Sequencing of Data Collection

The data collection for this doctoral thesis was started in May 2013 and finished in November 2015. Figure 1 demonstrates the timeline and sequencing of the data collection over the four studies.

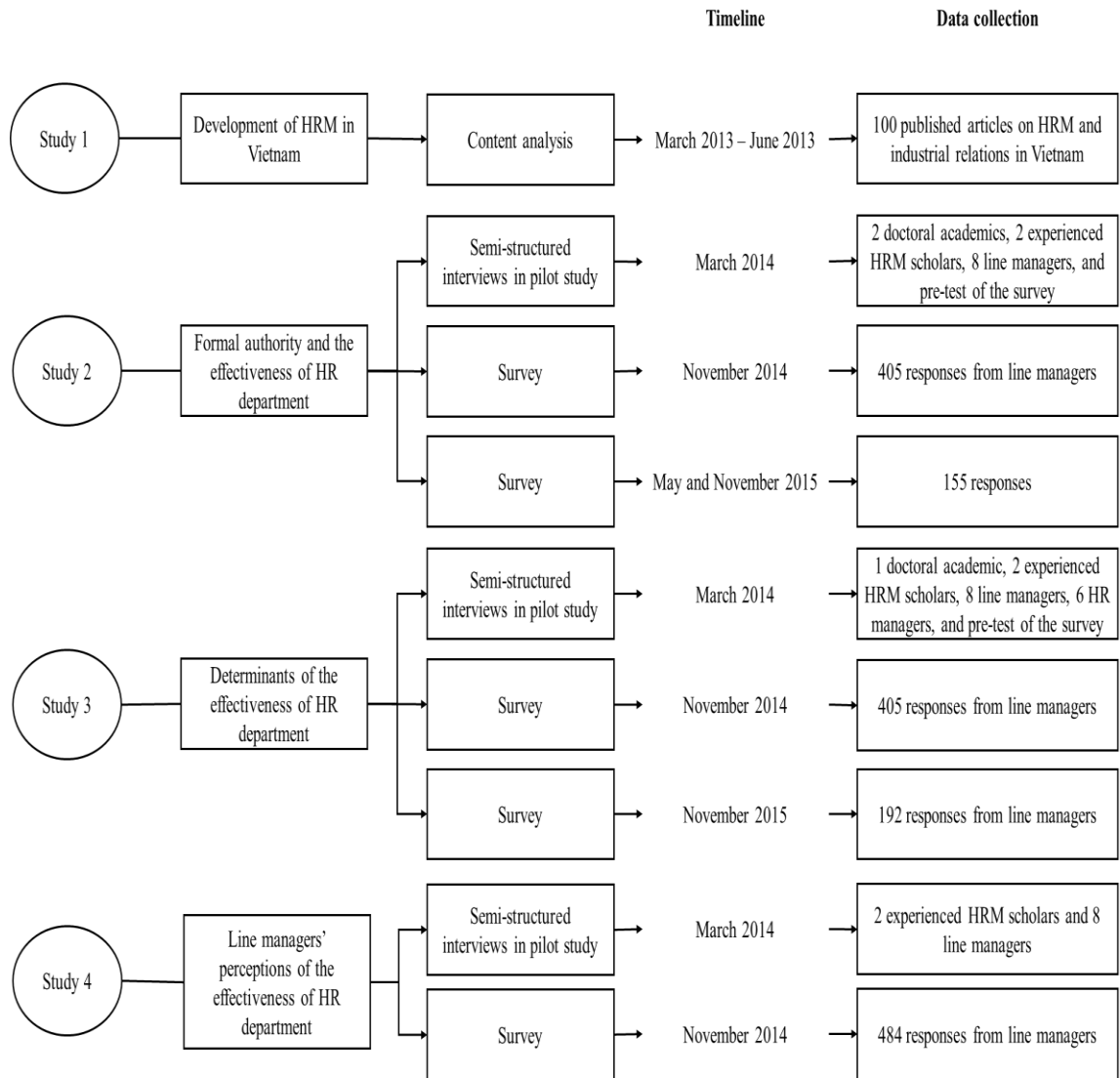


Figure 1. Timeline and Sequencing of Data Collection from 2013 to 2015

3.3.4. Perspectives of Positivism in Methodology

3.3.4.1. Systematic Review with the Application of Content Analysis Approach

This study utilised a systematic review approach to analyse the content of prior published articles in order to understand the development of HRM in Vietnam. The review was used to inform the research design in the three quantitative studies in the

present research. The present study follows the process suggested by Short (2009) and Ucbasaran et al. (2012). Specifically, to create a database of journal articles within the Vietnamese context between 1984 and 2013, the two-step process of data collection was conducted, including searching by using key words and screening for relevant articles. In the first step, keyword searches initially included “Vietnam”, “human resources”, and “industrial relations”. Keyword searches were undertaken on the titles, keywords, and abstracts of articles indexed with Business Source Complete (EBSCO Publishing), Web of Science (Thomson Reuters), Academic Research Premier (ESCOB Publishing), Emerald Fulltext, ProQuest Science Journals, and ProQuest Central databases. The second step was the use of screening criteria to choose the relevant articles for the systematic review. The criteria consist of the following characteristics: (1) the keywords are mentioned in the abstracts and are discussed in sufficient details to contribute to the focus of the analysis; (2) the focus of HRM must be in business and management areas; (3) articles have to offer some insight into the environment of the economy and business underlying HRM; (4) articles have to offer some insight into the movement of industrial relations (IR) and the investment in human capital in business management and macroeconomic management; and (5) articles have to provide some discussion on the development of research on HRM in Vietnam. The final database of published journal articles was then analysed by the content analysis approach using Leximancer technique.

The content analysis approach is used to analyse documents and texts in a systematic, objective, and replicable manner by presenting relationships between emergent themes and concepts (Bryman & Bell, 2011; Krippendorff, 2013; Neuendorf, 2002; Salkind, 2012). Text data can be of many types, such as verbal, print or electronic and can be obtained from surveys, interviews or observations. Texts have subjective qualities and multiple meanings and are therefore quite unlike physical events in that

they are interpreted and understood differently in relation to certain contexts or research purposes (Krippendorff, 2013; Neuendorf, 2002; Salkind, 2012). Thus, as a technique, the content analysis approach allows researchers to achieve reliable and replicable results from texts when working in different points in time and under different circumstances or locations (Bryman & Bell, 2011; Krippendorff, 2013; Neuendorf, 2002).

The content analysis approach is used to unearth salient patterns, called “themes”, that reflect stories found in documents and texts (Attride-Stirling, 2001; Boyatzis, 1998). The approach is also a way of understanding the meaning and relationships in a collection of documents and texts and uncovering unknown qualities about qualitative data (Boyatzis, 1998; Krippendorff, 2013). While other approaches are dependent on theory, the content analysis approach has theoretical freedom with the potential provision of rich and detailed data reflected in the identifiable themes and patterns of living and behaviour of respondents (Aronson, 1994; Braun & Clarke, 2006). That is why researchers view this analysis method as flexible and why it is highly used in the context of business (Bryman & Bell, 2011).

One of the purposes of using the content analysis approach is to identify and interpret relationships between themes and concepts emerging in texts and documents (Bryman & Bell, 2011; Hsieh & Shannon, 2005; Krippendorff, 2013; Neuendorf, 2002). Scholars have outlined different ways of identifying themes and concepts. For instance, Creswell (1998) suggested three analysis strategies: reviewing all information generally, looking closely at the words used by interviewees, and reducing the data; Boyatzis (1998) provided a guide on how to use the thematic analysis technique in analysing the content of a person’s story; Creswell (2003) outlined eight steps in the content analysis process; and Braun and Clarke (2006) stressed that the process of theme identification should begin with noticing and looking for patterns in the data, identifying points of

interest by moving the entire set of data backwards and forwards, coding the data extracts, and analysing the data.

Despite different processes demonstrated by scholars, content analysis is seen as a time-consuming method whereby the analysis can be performed manually (Bryman & Bell, 2011; Krippendorff, 2013; Zikmund, 2003). In addition, the outcomes of content analysis are highly dependent on how researchers code the data, which is based on how they regard the social world. These disadvantages lead to human errors and time constraints which make the approach unfeasible for a large number of documents and texts (Bryman & Bell, 2011; Hsieh & Shannon, 2005; Krippendorff, 2013; Zikmund, 2003). As a positivist, the assistance of computer software such as NVIVO, Concept Mapping, or Leximancer allows the researcher to prevent any interference or dependence in the process of analysis (Bryman & Bell, 2011; Cretchley, Rooney, & Gallois, 2010; Cummings & Daellenbach, 2009; Krippendorff, 2013). Computer-aided analysis of content is used when the strengths of the software coincide with the purpose for which the analysis is being conducted and the volume of texts and documents (Krippendorff, 2013; Mossholder, Settoon, Harris, & Armenakis, 1995).

The development and evolution of HRM in Vietnam can be examined through published HRM research. In Study 1, Leximancer software (version 4, www.leximancer.com) developed by the Institute for Social Sciences and Dr. Andrew Smith and his team at the University of Queensland (“UQ start-up launches online collaborative research portal”, 2012) was employed. The use of the Leximancer technique in business research has increased due to its advantages, which include researcher independence in the analysis and faster data analysis (e.g., Chen & Bouvain, 2009; Cretchley, Rooney, & Gallois, 2010; Cummings & Daellenbach, 2009; Rooney et al., 2010; Verreynne, Parker, & Wilson, 2011).

Leximancer software uses content analysis to provide the benefit of “transforming lexical-co-occurrence information from natural language into semantic patterns in an unsupervised manner” (Smith & Humphreys, 2006, p. 262). That is, words are combined to form concepts (thematic analysis) and identify relationships (semantic analysis) between concepts (Verreynne et al., 2011). In addition, Leximancer is supportive of the notion that a content analysis is best when both quantitative and qualitative approaches are combined (Weber, 1990). Specifically, Leximancer not only provides themes and concepts as well as text queries but also shows counting and statistics (Smith & Humphreys, 2006).

Leximancer offers an exploration of a list of themes and concepts which emerge automatically from the text (Cretchley et al., 2010). In comparison with other methods, Leximancer does not require the researcher to derive a list of codes and rules to attach to the data. It is also convenient for the researcher in checking the validity and reliability of Leximancer (Cretchley et al., 2010). This is why Leximancer has recently become more popular in business and management research. For instance, Martin and Rice (2007) applied Leximancer to assess enterprise risks in the computer industry; Cretchley et al. (2010) conducted a similar analysis to map themes and concepts that emerged in the *Journal of Cross-Cultural Psychology* over 40 years; and Cummings and Daellenbach (2009) undertook a study using Leximancer to identify themes and trends in the field of strategic management. Similarly, Leximancer produced distinctive concept maps which helped Verreynne et al. (2011) to explore and compare perceptions of employees and managers on the interactions of human resources, employee capabilities and firm performance. Overall, the increasing utilisation and application of Leximancer in business research made it an easy choice to utilise this technique in Study 1.

3.3.4.2. Critical Issues in Quantitative Methods

3.3.4.2.1. The Use of Surveys

Surveys (through questionnaires) have been also mostly applied in prior studies on HRM in Vietnamese organisations. One of advantages of the use of survey questionnaires is their quick provision, relative inexpensiveness, and their accurate means of measuring information (Bryman & Bell, 2011; Cavana et al., 2001; Zikmund, 2003). The method is flexible enough to reach a geographically large sample with minimal resource requirements as well as to provide respondents with a convenient time to answer. Importantly, researchers prefer surveys through questionnaires when they desire to generalise research findings to a population (Bryman & Bell, 2011; Cavana et al., 2001; Zikmund, 2003). For instance, Quang and Dung (1998) adopted survey questionnaires to identify problems in HR practices in state-owned enterprises (SOEs) in Ho Chi Minh City. In their research, this technique helped them to recognise training needs and the development of human capital in Vietnam's SOEs. Thang and Bryant (2004) investigated and compared the adoption level of HR formality between small and medium-sized enterprises in Vietnam. Similarly, Thang and Quang (2005a, 2005b) used survey questionnaires to explore HR practices in different types of enterprises in Vietnam. The authors also employed survey questionnaires to shed light on the interrelations between HR practices and firm performance with regard to different kinds of ownership in Vietnam (Thang & Quang, 2005b).

Even though the use of survey questionnaires has proved a popular research method for studying HRM in Vietnam, the survey method can be susceptible to problems. Questions can potentially be ambiguous, double-barrelled, recall-dependent, leading and/or loaded, and overly complex for some respondents; they may also result in biased responses based on social desirability and subjective assumptions (Cavana et al., 2001; Zikmund, 2003). Even with careful design, surveys can be limited in that each

respondent will elicit and interpret each question in their own personal way (Bryman & Bell, 2011; Zikmund, 2003). Also, two further problems facing a researcher is the uncertainty about which potential respondents will fill out the questionnaire and how much care they will take in doing so (Bryman & Bell, 2011; Zikmund, 2003). Therefore, it is important to design a relevant and accurate survey to ensure that the data collection is necessary, reliable, and valid, even though issues of a respondent's interpretations can still remain (Cavana et al., 2001; Zikmund, 2003).

Another potential limitation in using survey questionnaires is associated with common method bias. For example, common method bias may be derived from respondents in terms of what they perceive in a favourable sense (cognitions) and what they truly experience regarding their work (attitudes) (Chang et al., 2010; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Spector, 2006). Furthermore, social desirability may cause bias because it reflects more socially desirable attitudes, behaviours or perceptions (Podsakoff et al., 2003). In addition to social desirability issues, a problematic issue is that respondents can tend to agree or disagree with everything mentioned in a survey, regardless of the content (Spector, 2006).

In this study, different procedures were conducted prior to the data collection in the main studies, as suggested by Chang et al. (2010) and Podsakoff et al. (2003), to reduce potential common method bias. Semi-structured in-depth interviews were employed with the aim of reducing common method bias prior to the data collection in main studies. These interviews helped to ensure that the questionnaire items were clearly and simply written in terms of familiar and understandable terms to Vietnamese line managers. The participant information sheet was sent to all the potential participants prior to their taking part in the survey so that they could understand their voluntary roles in this research. The principles of confidentiality and anonymity were clearly stated in the participant information sheet to ensure all the participants felt

comfortable about and were honest in answering the surveys. In addition, the current study used a random order of items in the questionnaires and different standard measures so that the respondents could not predict the proposed relationships between variables.

Although using survey questionnaires has potential drawbacks, Podsakoff et al. (2003) and Rafferty and Griffin (2004) outlined the use of a “single-method factor” which helps to identify the existence of common method bias in responses. A marker variable was included in the surveys used in Study 2, Study 3 and Study 4 (see Appendix 2 and Appendix 3). All the potential drawbacks of a survey were considered in the analysis of the three quantitative studies by conducting different tests for common method bias. The next sections present considerations in using surveys to test the theoretical frameworks discussed in each study.

3.3.4.2.2. Choice of Research Instruments in Quantitative Studies

It is important to employ valid research instruments developed in the Western framework for a study that focuses on the exploitation of Western theories (Li, 2012; Ramaswamy, 2007). There are two criteria in choosing constructs in the hypothesised models in this thesis. Firstly, research instruments in Study 2, Study 3, and Study 4 were chosen based on the validation and application of these scales in previous studies that were published in good journals. And secondly, research instruments have to demonstrate accurately the concepts in each of proposed models. For instance, the scale measuring the strategic involvement of the HR department was used in Wright et al.’s (1998) work and validated by Teo and Rodwell’s (2007) study in *Human Resource Management*, and the scale measuring HR practices was used in Delery and Doty’s (1996) study in the *Academy of Management Journal* and adopted by Khilji and Wang’s (2006) research in the *International Journal of Human Resource Management*. A series of semi-structured in-depth interviews were undertaken in order to ensure the relevance

and applicability of the research instruments that were adopted in each of the four studies.

3.3.4.2.3. Semi-structured In-depth Interviews

For positivist researchers, the aim of semi-structured in-depth interviews is to identify the “facts” that stand independently from both the researched setting and the researcher (Bryman & Bell, 2011; Haverland & Yanow, 2012). In this thesis, the purpose of the semi-structured in-depth interviews was to explore whether or not all the constructs and research instruments in the proposed models were present and applicable to Vietnamese organisations. The interviews also helped the researcher to ensure the quality of the questionnaire translations from English to Vietnamese and back to English. The interview information was presented in each of the three quantitative studies.

In this research, all the questions were clearly stated to the interviewees and were worded in the protocol and in the same order that they were scheduled. The interviewees were allowed to provide uninterrupted responses to open-ended questions, with minimal input from the interviewer, in order to preserve the interviewees’ natural perceptions and responses pertaining to their reality. Although semi-structured in-depth interviews were used in this thesis, interview information was interpreted through the lens of positivism; that is, what interviewees said was exactly what they meant (Silverman, 1993, 2006).

The back-translation approach suggested by Brislin (1970) was adopted and the semi-structured in-depth interview phase for the validation of questionnaires and proposed models was conducted in Study 2, Study 3 and Study 4. The purpose of using this approach was to ensure that the questionnaire translations were correct and understandable in Vietnamese. In addition, this step aimed to verify whether the model in each study and their relative constructs were valid and suitable for Vietnamese management practices (see Appendix 1). For the equivalence of questionnaire

conversions, the interviewees were asked: “Are all translated items correct and understandable in Vietnamese compared with the English version?” For the verification of the proposed models and their corresponding constructs in each of the three studies, the questions to be answered were: (1) “Are all the key constructs captured in the proposed model?” (2) “Are there any constructs in the model that are irrelevant or redundant?” (3) “Are all translated items appropriate and representative of what you experience in your organisation?”

This doctoral research chose semi-structured in-depth interviews because of their low cost, the feasibility of inviting managers as key informants, and flexibility during the interviews (Bryman & Bell, 2011; Krueger & Casey, 2009; Morgan, 1988; Zikmund, 2003). Using semi-structured in-depth interviews permits the interviewer to ask a pre-prepared list of questions in a general form and to change or adjust the order of questions in accordance with the answers of the informants (Adams & Cox, 2008; Bryman & Bell, 2011; Cavana et al., 2001). This approach also allows the interviewer to encourage informants to express their views without being forced by a narrow set of fixed questions, as in the structured interview (Bryman & Bell, 2011; Krueger & Casey, 2009; Zikmund, 2003).

Research Informants in Interviews

Using semi-structured in-depth interviews ensured the quality of the translated English questionnaires (Brislin 1970). Following Brislin (1970), the informants included a qualified doctor of philosophy who teaches at a business university in Vietnam, two Vietnamese HRM experts, eight line managers, and six HR managers from Vietnam who were not involved in the main surveys. The reason for inviting the lecturer with the doctorate and the two Vietnamese HRM experts is that they are capable and familiar with the content in the English questionnaires (Brislin, 1970); specifically, all three are knowledgeable and experienced in research on HRM in Vietnam, understand HR terms

in English, and are familiar with the HRM literature and the frameworks proposed in this thesis. Their role in the semi-structured in-depth interviews was to ensure the accuracy and clarity of translations. They were asked to translate the English version to Vietnamese, and then back again to English. As recommended by Brislin (1970), these translations were compared, and repeated, until all errors of interpretation were eliminated.

The participants who took part in the pilot studies were from Ho Chi Minh City, the largest business centre in Vietnam. The university lecturer and HRM experts were chosen because they were already personally known to the researcher. With the aid of the HRM experts and the lecturer, a snowball sampling approach was used to recruit line and HR managers. This approach was chosen because it is not easy to gain alliance with managers without personal introductions (Bartram et al., 2009; Kamoche, 2001; Zhu & Verstraeten, 2013). In addition, an advertisement to recruit HR managers was posted on the website of *HRLink.vn* and *vnhr.vn*, with the permission of the websites' administrators.

Eight line managers with managerial or supervisory roles in different departments and six HR managers took part in other semi-structured in-depth interviews. Their inclusion was to ensure the relevance and applicability of the proposed model and all corresponding constructs within the context of Vietnam. The sample size of the semi-structured in-depth interviews ensured information saturation, as suggested by Carter and Henderson (2005) and Guest, Bunce, and Johnson (2006). The line managers and HR managers had at least two years of working experience with their current organisations and came from different ownership types and industries. The purpose of this selection was to guarantee that the proposed model was applicable across Vietnamese organisations and industrial sectors. The informants were asked to indicate whether all the constructs were captured in the proposed models and whether

the constructs reflected the relationships between the HR department and line managers. Their participation in the pilot studies enriched information about the antecedents and consequences of the HR department's effectiveness in their organisations. The participants were also qualified to check the translation again in accordance with their daily experience of their HR department's performance. The line managers' and HR managers' adequate knowledge and familiarity with HRM activities also helped to ensure the final versions of the questionnaires were understandable for non-academic and non-HR managers as well as applicable to the Vietnamese context. The list of participants and demographic information is presented in Table 2.

Table 2. List of Participations in Pilot Studies and Demographic Information

Interview #	Ownership	Field	Economic Activities	Years of Experience	Position
1	Private	Clothes	Manufacturing	8	Production manager
2	Private	Dairy	Manufacturing	7	Sales manager
3	Public	Beverages	Manufacturing	17	Sales manager
4	Private	Mattresses	Manufacturing	5	HR manager
5	Private	Beverages	Manufacturing and commerce	3	HR manager
6	Private	Clothes	Manufacturing	20	HR manager
7	Private	Cosmetics	Commerce and service	2	Sales manager
8	Private	Beverages	Manufacturing and commerce	6	HR manager
9	Public	Tourism	Service	5	HR manager
10	Public	Banking	Service	4	HR manager
11	Private	Plastic tubes	Manufacturing and commerce	10	Line manager
12	Private	Bakery	Manufacturing and commerce	5	Production manager
13	Private	Toys	Manufacturing	9	Production manager
14	Public	Shipping	Service	5	Sales manager

The Interview Process

The research site was Vietnam; thus, Vietnamese was the language used in the interviews. All the interviews occurred in safe and convenient places that could protect the interviewees' privacy (for example, in the participant's office or in public coffee shops). On average, the interview lasted for approximately 60 minutes. The questions in the interview were open-ended to motivate participants to express their knowledge and opinions about research issues. Notes were taken during all of the interviews. The interviews were also tape-recorded, with the permission of interviewees, and the tapes were then transcribed and translated by the researcher. These transcripts served as input for the main surveys. Confidentiality was ensured to each interviewee.

3.3.4.2.4. Research Informants in Main Studies

To evaluate the effectiveness of the HR department, a number of studies have surveyed perceptions of line managers in measuring the effectiveness of HRM within organisations (e.g., Guest & Conway, 2011; Truss et al., 2002; Tsui, 1990; Wright et al., 2001). These prior studies have argued that line managers are a good source of information because line managers work directly with the HR department in both operational and strategic management processes (Brewster et al., 2013; Paauwe et al., 2013). Therefore, respondents in the quantitative studies of this thesis were line managers from public and private organisations in Vietnam. To ensure the line managers were truly knowledgeable about the research issues being examined in the doctoral study, they were required to be full-time line managers with at least two years' experience in their current organisations. In addition, they needed to be well-informed about HRM activities performed by their HR departments and able to interact with the HR department in operational and strategic activities within their organisations.

3.3.4.2.5. Data Analysis using the SEM Approach

SEM is a multivariate statistical analysis approach combining factor analysis and path analysis (Byrne, 2009; Vinodh & Joy, 2012; Weston & Gore, 2006). Because the approach uses this combined analysis, SEM can incorporate both unobserved and observed variables. Hence, SEM has the ability to provide separate estimates of inter-variable relationships between latent constructs and their visible indicators (the measurement model) (Anderson & Gerbing, 1988; Tomarken & Waller, 2005; Weston & Gore, 2006). This technique is also used to analyse the structural relationships between measured variables and unobservable constructs (the structural model) (Baumgartner & Homburg, 1996; Bentler, 1988; Vinodh & Joy, 2012). Compared with other approaches such as multiple regression or correlation, SEM has the capacity to estimate and test multivariate causal relationships, interactions and interval indirect effects between multiple variables (Byrne, 2009; Vinodh & Joy, 2012; Weston & Gore, 2006). SEM simultaneously allows the researcher to examine statistically whether the hypothesised model fits the data by providing a brief assessment of even complicated models that involve a large number of linear calculations (Byrne, 2009; Fornell, 1982; Grace & Bollen, 2008; Weston & Gore, 2006). Another advantage of SEM is the capacity to assess or correct measurement errors that other traditional multivariate techniques are incapable of doing (Byrne, 2006; Grace & Bollen, 2008; Tomarken & Waller, 2005).

As SEM is considered to be more flexible than other statistical methods (e.g., Byrne, 2009), this approach has been increasingly used in social science and HRM research. For instance, Lin et al. (2005) applied the SEM approach to identify the relationship between supply chain management and organisational performance, Eid (2009) utilised SEM to look for factors affecting world-class manufacturing, and Vidal-Salazar et al. (2012) used SEM to test the effect of environmental training and

organisational learning on the development of active environmental strategies. Recently, Alfes et al. (2013) applied SEM to examine the impact of line managers' roles in the link between HR practices and individual performance outcomes, and by Boehm et al. (2014) to test the consequences of workgroup diversity climate. With regard to this doctoral research, the application of the SEM approach was seen as appropriate because of its capabilities in testing the measuring models and structural models, and its increased applications in the HRM area.

Normality Distribution Issue

The normality of a distribution is a critical issue in statistical analysis because it can influence the rationality of research results (Coakes, 2006). Followed the recommendations of West et al. (1995), a test was conducted to check the normality distribution of the distribution of measured variables in each quantitative study based on the absolute values of skewness and kurtosis indices. Skewness indicates the measure of a symmetrical distribution and kurtosis refers to the "measure of the peakedness or flatness of distribution when compared with a normal distribution" (Hair et al., 2006, p. 37). A normal distribution has skewness and kurtosis have values of zero. According to the criteria suggested by Kline (2011), if the absolute value of the skewness index is greater than 3.0 and the absolute value of the kurtosis index is greater than 10.0, then the shape of distribution can be defined as rigorously non-normal.

Study 2 consisted of two samples. In both samples, a test for was conducted with 23 original indicators. In Sample 1, the distributions of the 23 indicators had skewness values ranging from -0.683 to +0.716 and the kurtosis values in the range from -0.879 to +0.219. In Sample 2, the skewness values of the 23 indicators ranged from -1.276 to +0.1 (see Appendix 4). The absolute values of skewness and kurtosis indices were less than 3.0 and 10.0, respectively, which indicates that the distribution of the 23 indicators was considered to be normal. In **Study 3**, the model was developed

from 46 original indicators. In Sample 1, their distribution had skewness values ranging from -0.742 to $+0.415$ and kurtosis values from -0.935 to $+0.463$. In Sample 2, the skewness values were in the range of -0.887 to $+0.578$ and kurtosis values were from -1.051 to 0.69 (see Appendix 5). All indicators in Study 3 could be considered normally distributed because the absolute values for the skewness and kurtosis indices matched Kline's (2011) criteria for a normal distribution. Simultaneously, in **Study 4**, the model was developed from the 90 original indicators. The distributions of these indicators showed that all had skewness values within the range -0.621 to $+0.557$ and their kurtosis values ranged from -0.87 to $+0.173$. If the absolute value of the skewness index is greater than 3.0 and the absolute value of the kurtosis index is greater than 10.0, then the shape of distribution could be rigorously non-normal (see Appendix 6).

Analytical Techniques

Increasing the validity of the research is important in positivism (Haverland & Yanow, 2012). Consequently, positivist researchers have to choose criteria that are appropriate for evaluating the quality of a positivist research. These criteria relate to "internal validity (isomorphism of findings with reality), external validity (generalisability), reliability (in the sense of stability), and objectivity (distanced and neutral observer)" (Guba & Lincoln, 1994, p. 114). In order to ensure the feasibility of a positivist study, all steps, from deriving hypotheses to proposing a statistical analysis process, must be carefully designed and implemented. It is particularly important that there is a consistent methodology associated with the positivist paradigm that focuses on "research questions, the availability of the sample of a chosen population, and intrinsic and extrinsic variables" (Grant & Giddings, 2002, p. 15).

It is not enough for researchers to merely focus on testing hypotheses regardless of context or the researcher's interaction with the subject. However, while an independent relationship in positivism is an advantage, it is also a disadvantage because

it limits the explanation of causes. Haverland and Yanow (2012) suggested “controlling for rival explanations, relevant hypotheses concerning alternative explanations” (p. 405). Therefore, a positivist study utilises the survey method to “assess, with a small sample, population attitudes, perceptions, and opinions about particular social issues, as well as factual knowledge” (Swidorski, 1980, as cited in Lee, Benoit-Bryan, & Johnson, 2011, p. 87). However, there exist potential sources of survey error in the survey research adopted in the business and management disciplines (Lee, Benoit-Bryan, & Johnson, 2011). Consequently, a total survey error framework needs to be considered when designing a survey as part of a positivist research in these areas.

The quantitative data were analysed by using several statistical techniques such as a range of univariate, bivariate and multivariate analyses including descriptive statistics, exploratory factor analysis (EFA) using IBM *SPSS version 22*, and confirmatory factor analysis (CFA) using IBM *AMOS version 22* to evaluate the reliability and unidimensionality of each scale. A series of one-factor congeneric measurement models were conducted in *AMOS* to ensure that each scale was fitting well. A series of joint-factor analyses and CFAs was also undertaken to refine the measurement models and then SEM *AMOS* was utilised to test the proposed model in each study. In particular, the present study followed Anderson and Gerbing’s (1988) two-step approach to evaluate the measurement models and Gefen and Straub’s (2005) approach to assess the cross-loadings of items in additional samples in Study 2 and Study 3. The structural models in each quantitative model were analysed using *AMOS version 22*. The outcomes of the assessment of the individual scales and measurement models are presented in Appendix 7 to Appendix 21.

For the validation of research findings, a multiple linear regression in PROCESS macro (Hayes, 2013) for *SPSS version 22* was used in Study 2 and a partial least squares (PLS) technique in Study 3. PLS has previously been adopted in organisational studies

(e.g., Johansson & Yip, 1994; Teo & Rodwell, 2007). The conceptual core of PLS is an iterative combination of the principal component analysis relating measures to constructs, and path analysis permitting the creation of a system of constructs. Compared with a covariance-based structural equations modelling technique such as *Mplus* and *LISREL*, the PLS technique can accept smaller sample sizes because “each causal subsystem sequence of paths is estimated separately ... and [so PLS] is particularly suitable for studies in the early stages of theory development and testing” (Johansson & Yip, 1994, p. 587). *SmartPLS* software version 2.0 (Ringle, Wende & Will, 2005) was used when undertaking the PLS analysis.

This research utilised PROCESS macro (Hayes, 2013) to conduct a range of tests on hypothesised mediation and moderation effects in each study. In particular, the research followed the instructions suggested by Hayes (2013), using PROCESS model 4 and model 6 to test a model of multiple mediators in Study 2. The proposed moderation effect in Study 4 was tested by using model 1 in PROCESS macro, where strategic orientations were treated as a moderator. Only mediation effects in Study 3 were tested, using *AMOS* software. A series of multiple group analyses in Study 2 and Study 3 were conducted within *AMOS version 22* to test the differences between public and private sectors.

The Issue of Overall Model Fit Measures

The SEM literature demonstrates a variety of fit indices. The chi-square (χ^2) statistic is the primary measure of the overall fit of a model to the data (Byrne, 2009; Hair et al., 2010). A χ^2 test is for testing whether or not the actual and predicted input matrices are similar. In the instance of a low value of χ^2 , the researcher is looking for a high probability associated with the statistic (i.e., $p > 0.05$). This would indicate that the actual and predicted input matrices are not different. However, a disadvantage of the chi-square statistic is that theoretically it has no upper bound, although its lower bound

is always zero; thus, χ^2 is not seen as a standardised way to evaluate the model fit (Byrne, 2009; Hair et al., 2010; Kline, 2011). Furthermore, the value of χ^2 is sensitive to the sample size. When the sample size is large enough (usually greater than 200), a significant χ^2 ($p < .05$) is likely to be found in any specific model (Hair et al., 2010). To reduce the sensitivity of χ^2 to the sample size, some researchers developed new fit indices (e.g., Gerbing & Anderson, 1993; Hu & Bentler, 1995). For instance, an alternative way to evaluate how well a model fits the data is a value of $\chi^2/\text{degree of freedom (DF)}$ (Wheaton, Muthen, Alwin, & Summers, 1977). It was suggested by Kline (2011) that the upper bound value of χ^2/DF should range from 2 to 3 for a good fit. Other alternative ways are to use a comparative fit index (CFI), Tucker-Lewis index (TLI), root mean square error of approximation (RMSEA), or a standardised root mean square residual (SRMR) (Garver & Mentzer, 1999; Hu & Bentler, 1995).

CFI and TLI are fit indices independent of the sample size and are used to compare the proposed model with a null model (Anderson & Gerbing, 1984; Kline, 2011). A good model fit has values of CFI and TLI greater than 0.90 and a better fit has these values greater than 0.95 (Hair et al., 2010; Hu & Bentler, 1999). RMSEA measures the discrepancy between the predicted and observed covariance matrices per degree of freedom in terms of the population (Hair et al., 2010). A value of RMSEA less than 0.06 indicates a good fit and a value from 0.06 to 0.08 indicates an acceptable fit, so a value as high as 0.08 represents reasonable errors of approximation in the population (Byrne, 2009; Hu & Bentler, 1999). However, RMSEA values ranging from 0.08 to 0.10 indicate a mediocre fit and those greater than 0.10 show a poor fit (Hu & Bentler, 1999). The root mean square residual (RMR) represents the average residual value derived from the fitting of the variance-covariance matrix for the hypothesised model to that of the sample size (Byrne, 2009, p. 82). SRMR indicates the average value across all standardised residuals. A good model fit has an SRMR value less than 0.06

(Hu & Bentler, 1999). Following SEM scholars such as Byrne (2009), Hu and Bentler (1999), and Hair et al. (2010), this thesis used these goodness-of-fit statistics to evaluate the model fit in each set of quantitative data. The values of the model fit indices are reported in Appendix 7 to Appendix 21.

Common Method Bias

The collection of a single source of line managers could potentially result in common method bias (Chang et al., 2010; Podsakoff et al., 2003). Harman's single factor was conducted in the quantitative studies of this doctoral thesis. This technique was utilised to evaluate the percentage of variance in the observed variables that could be captured by a single factor. In addition, following suggestions from Lindell and Whitney (2001) and Malhotra et al. (2006), a marker variable test was conducted to check for common method bias in each quantitative study. A "Bureaucracy" construct was used (Rafferty & Griffin, 2004) as the marker variable, and method effects were represented by factor loadings from the marker variable to the indicators of the substantive constructs. This technique was aimed to calculate the difference of correlations of all of the constructs between, before and after including the marker variable. The differences were below the cut-off value of 0.2, indicating that common method variance was not a major issue (Lindell & Whitney, 2001; Malhotra et al., 2006). In Study 3, an additional test using a common latent factor was utilised to check the common method variance in the data and followed Chin (1998) to identify whether the common latent factor had an impact on the items. It is argued that common method bias is not a major issue when the effects of a common latent factor on items' standardised factor loadings are less than 0.2 (Chin, 1998). The result of testing for common method variance in Study 3 is presented in Appendix 22.

3.4. Ethical Considerations

The interview questions and the survey protocols were approved by the Auckland University of Technology Ethics Committee (AUTEK) after some minor revisions were incorporated based on the suggestions and recommendations of the committee. The participants were properly informed about the purposes of the research, the data collection process, and their confidentiality and anonymity as well as their roles and their rights in this research (see Appendix 23). The participation of the informants in both the pilot and main studies was voluntary and their consents for interviews were obtained (see Appendix 24). Respect for privacy and confidentiality is vital and the participants' identities were secured at all stages of the doctoral study. Collected data, made up of interview transcripts and survey data relating to the research samples, have been kept confidential and no information has been transmitted outside the scope of the study. Every effort has been made to diminish any risks involved in this doctoral research.

3.5. Summary of Chapter 3

The previous sections in Chapter 3 presented a brief introduction to the four studies that comprise this research and the process of data collection from March 2013 to November 2015. In brief, content analysis using Leximancer in Study 1 was pertinent to understanding the evolution of HRM in Vietnam through academic articles over the last 30 years. The semi-structured in-depth interviews were conducted to evaluate the applicability of the proposed research instruments to the context of Vietnam and the quality of questionnaire translations. The SEM approach was justified to be relevant to test complicated causal relationships in the proposed model in each quantitative study. Considerations of using the survey method and ethical issues were also discussed in this chapter.

Paper 1 – DEVELOPMENT OF HUMAN RESOURCE MANAGEMENT IN VIETNAM: A SEMANTIC ANALYSIS

This refereed paper (blind review) was presented at ANZAM conference, 4–6

December 2013, Hobart, Australia. The current manuscript is under review for the *Asia Pacific Journal of Management* (revise and resubmit).

CHAPTER 4/ PAPER 1

DEVELOPMENT OF HUMAN RESOURCE MANAGEMENT IN VIETNAM: A SEMANTIC ANALYSIS

Abstract The present study offers a logical understanding of the development of human resource management (HRM) research in Vietnam over the last 30 years. While previous studies have examined the adoption of HR practices in Vietnam, little is known about the evolution of HRM. Using a semantic analysis approach, we systematically analyzed the themes and concepts from 100 journal articles related to HRM in Vietnam, selected from academic databases between 1986 and 2013. The main study findings show that the development of HRM research is associated with the key stages of economic development in Vietnam. Our study highlights the significant relationship between the institutional environment and how HRM evolves in a developing economy. Implications are discussed from an institutional perspective by highlighting the importance of contextual factors in the evolution of HRM studies in Vietnam.

Key words: institutional environment, human resources, HRM, Vietnam

Introduction

The context of an economy creates opportunities and constraints on the occurrence and meaning of organizational phenomena and practices. Contemporary thought highlights the role of context as vital to understanding organizational phenomena and is integral to theory development (Child & Marinova, 2014; Johns, 2006). All told, the background of a context plays an important role in understanding the evolution of human resource management (HRM) within its setting (Cooke, 2016). Thus, describing the significant influences of the context on HRM research can reveal how HRM research aims to solve organizational problems (DeNisi *et al.*, 2014; Posthuma *et al.*, 2013). This argument highlights the need to examine the context of HRM research in developing economies to understand how changes in HRM occur (Budhwar & Debrah, 2009; Cooke, 2016; Poon & Rowley, 2010). For example, Fey and colleagues (2004) showed that the economic changes and historical and institutional roots in China and Russia make it difficult for multinational companies to adopt formal practices in training and development, internal communication and compensation systems. Additionally, Warner (2011) demonstrated how historical and institutional changes in legislation have impacted on the evolution of HRM in China, such that Westernized HR practices are strongly influenced by cultural practices such as *guanxi* and traditional Chinese personnel practices. Although the context is important for HRM research, particularly in developing economies that have been through institutional changes, systematic reviews of HRM development in such settings have been scant (Cooke, 2016). Therefore, the present study examines the development of HRM research in Vietnam over the last 30 years in order to understand how HRM in Vietnam emerged, developed, and evolved.

The development of HRM in Vietnam has become a central area of interest for understanding how HRM concepts and ideas (often attributed as Western management thought) are disseminated in developing countries (Budhwar & Debrah, 2009; Cooke,

2016; Poon & Rowley, 2010). This burgeoning interest in Vietnam can be attributed to the country's increasingly dynamic economy with a young literate labor force and the increased attraction of foreign direct investment (Bartram *et al.*, 2009; Budhwar & Debrah, 2009). Topics on HRM in Vietnam tend to be based on different perspectives of HRM literature and the research focus of researchers. For example, a good number of studies have focused on the utilization of HRM practices in different ownership types (Kamoche, 2001; Thang & Quang, 2005b; Zhu *et al.*, 2008) and in small and medium-sized organizations (King-Kauanui *et al.*, 2006; Thang & Bryant, 2004). Others have examined the overarching macro-effects of the changes in Vietnam's industrial relations system (Zhu & Fahey, 1999, 2000; Collins *et al.*, 2011) or specific micro-HR practices, such as the association between training and firm performance (Nguyen *et al.*, 2011). These diverse approaches can be ascribed to the growing interest in HRM research in Vietnam.

Recent research in Vietnam has shown how the conceptualization and practice of HRM has evolved in organizations due to institutional changes in the Vietnamese context. For instance, Zhu *et al.* (2008) emphasized the effect of economic transition on the application of HRM practices in the different organizational types in Vietnam, and Vo and Bartram (2012) addressed the role of government, regulations and political policies in the management of reform in state-owned organizations. These studies also demonstrated the hybridization of Vietnamese HRM, highlighting the importance of contextual conditions in Vietnam. Nonetheless, there are still substantial gaps in our understanding of the transformation of HRM studies in Vietnam, particularly in the context of the economic development within the country over the last 30 years. Thus, the current study takes into account institutional theory to investigate the impact of contextual changes on the development of HRM research in Vietnam in the last 30 years.

This study has two main research questions: “How has HRM in Vietnam emerged, developed, and evolved in relation to changes in HRM research over the past 30 years?” and “How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?” Accordingly, we utilize institutional theory as a lens to review published academic articles in the field over the last 30 years. This approach is taken because the development of HRM in a certain context, especially developing economies, is better understood by a historical and institutional review (e.g., Collins *et al.*, 2011; Tregaskis & Brewster, 2006). Charting the evolution of HRM in Vietnam allows consideration of the spread and dissemination of Western HRM ideas into developing countries (Budhwar & Debrah, 2009; Collins *et al.*, 2011).

Institutional theory emphasizes that management practices of organizations in a specific context are designed and implemented consistently with and according to changes in the institutional environment (Scott, 2008). Using institutional theory as a lens, this paper contributes to the literature in several ways. Specifically, this study differs from previous research in that it synthesizes and provides an overall understanding of HRM research and its changes in Vietnam over the last 30 years utilizing an institutional lens. Moreover, we contextualize the evolution of HRM research by systematically analyzing HRM research and highlighting the context of HRM studies through systematic and automated review. As previous studies are fragmented due to different theoretical perspectives and research motivations, we outline future research agendas for HRM literature in relation to the current state of economic development and institutional conditions in Vietnam.

Our paper begins with an overview of the institutional approach adopted in previous HRM studies. We then present a brief description of the Vietnamese context, including key stages of the country’s economic development and institutional

environment. Following this, we describe the process of data collection and the data analysis, which used a content analysis approach employing a semantic analytical technique. Lastly, we present the research findings, and discuss the theoretical and managerial implications of the study.

Literature review

Institutional approach in HRM studies in Western economies

Institutional theory can help us to understand the development of HRM in developing countries. Institutional contexts are comprised of three components: regulatory, cognitive and normative institutions (Scott, 2008). Regulatory institutions contain laws and rules that endorse certain types of behaviors and restrict others; the cognitive component reflects the shared social knowledge by people in a given environment; and normative institutions reflect the norms, assumptions, beliefs and values about human action and define goals and the way people pursue them in a particular country (Scott, 2008; Kostova & Roth, 2002). Institutional theorists argue that organizational practices like HRM practices are shaped by the institutional context (Gooderham *et al.*, 1999; Meyer & Rowan, 1977).

Prior studies of organizational practices in a particular economy have given a broader view on institutionalism. For instance, Deephouse (1999) argued that sociocultural, technological and economic trends influence the development and management of organizational practices. Likewise, institutional factors such as ownership types (Gooderham *et al.*, 1999; Zhu *et al.*, 2008), economic factors (Giardini *et al.*, 2005; Gooderham & Norhaug, 2010), and the role of the state or culture and legislation (Fey & Bjorkman, 2001; Gooderham & Norhaug, 2010) have all been found to influence the evolution of HRM. Moreover, perceptions of the management of the HRM function have also been found to be influenced by contextual factors (see the review by Jackson & Schuler, 1995) because perceptions and references of management

can rationalize the way that employees are managed differently between organizations (Golden & Ramanujam, 1985; Schuler, 1992).

Furthermore, the contemporary literature demonstrates that the evolution of HRM is relative to key stages of economic development (Budhwar & Debrah, 2009; Dulebohn *et al.*, 1995). Studies on HRM in European economies have shown that differences and similarities in the adoption of HRM derive from stages of economic development (Brewster *et al.*, 2004; Gooderham *et al.*, 1999; Gooderham & Nordhaug, 2010). Therefore, to achieve optimal levels of performance for survival and competitive advantage, organizations must align their HRM activities with the economic conditions of a country (Posthuma *et al.*, 2013). In general, previous studies on HRM that have applied institutional theory conclude that the institutional environment determines the level of HRM evolution at national level and the adoption of HRM in organizations (Boon *et al.*, 2009; Gooderham *et al.*, 1999; Roehling *et al.*, 2005). Based on assumptions of institutional theory, this study uses the lens of institutional theory to examine the evolution of HRM studies in Vietnam.

Economic development in Vietnam

Vietnam is located at a strategic crossroads in the Asia Pacific region and is characterized by its political and social stability, cheap labor, and geographic proximity to major Southeast Asian markets (Bartram *et al.*, 2009; Cooke & Lin, 2012). Following the Vietnam War in 1975, the Vietnamese government centrally planned the country's economy and all state-owned enterprises (SOEs) that were dominant in the economy. At the time, Vietnam was one of the poorest countries in the world with many problems including a trade embargo by the West, famine and hyperinflation (The World Bank, 2012). In 1986, the government decided to reform the economy toward a market-oriented economy, aiming to attract foreign investments and exploit the opportunities of globalized competition (Quang, 2006). New forms of employment contracts, such as

fixed-term, temporary and unlimited-term contracts, were introduced to replace the lifetime employment system that predominated in the old economic system (Zhu, 2005). Since then, Vietnam's economic transition has created a lower-middle-income country with dramatic changes and significant achievements in the economic and social life of its people, such as growth in international trade, high inflows of foreign direct investment, vigorous exports and universal access to primary education and health care (Quang *et al.*, 2008; The World Bank, 2012).

Since this economic reform (Doi Moi), the Vietnamese economy has experienced a transformation from Chinese political and cultural influences, French colonization, the Japanese invasion and the American occupation, to entering the global economy (Zhu *et al.*, 2007). The economic transition in 1986 also resulted in changes to various ownership types in Vietnam. During the first few years of the economic transition, the reform policy raised the efficiency of all the enterprise sectors; for example, allowing local organizations to have the freedom to sell their products at market prices or to establish direct trade links and liberally compete with other organizations. Additionally, foreign-owned organizations (FOEs) were encouraged to run their business in Vietnam under the policy reform and incentive structure (The World Bank, 2012). The economic reform gave FOEs a chance to introduce Western managerial practices to local organizations. Contrary to this, the local environment – for example, the requirement to comply with local labor and business laws – as well as a lack of understanding of cultural assumptions underlying management practices made it difficult for FOEs to adapt and confront institutional requirements. These institutional influences acted as barriers to FOEs transferring Western HRM practices into Vietnam organizations (Quang, 2006; Thang *et al.*, 2007; Zhu *et al.*, 2008).

In 1997, the Asian financial crisis led to a greater call for flexibility and strategic orientations in the management of people in Vietnamese organizations. For instance,

wage systems were linked closely to organizational and individual performance in terms of profit, productivity, skills and responsibility (Zhu & Fahey, 1999, 2000). Regarding the effective operation of organizations, senior managers were urged to apply transactional leadership while the middle and HR managers had to show a transactional approach (Zhu, 2002). After the Asian financial crisis, Vietnamese organizations were advised to use numerically flexible strategies and functional flexible strategies in order to adapt quickly to other economic crises and global competition (Zhu, 2005). However, labor flexibility strategies could not be adopted evenly among Vietnamese organizations because of the influence of political, cultural, legal and economic factors on the practice of Vietnamese organizations' labor flexibility (Zhu, 2002, 2005). For example, organizations could not adjust the number of regular employees due to labor law constraints. In addition, Vietnamese culture emphasises harmonious employment relations and workplace environments, which makes it difficult for organizations to fully adopt functional flexibility (Zhu, 2005).

The Vietnamese economy has changed since the country joined the World Trade Organization (WTO) in 2007, with an increasing presence of multinational and privately owned organizations. Globalization has created many opportunities for local Vietnamese organizations to learn and adopt advanced management practices from multinational organizations and foreign direct investments (FDIs) to enhance productivity and competitive advantage (The World Bank, 2012). Specifically, due to the presence of multinational organizations, local Vietnamese organizations have introduced HRM and strategic HRM (SHRM) to replace the traditional personnel management practices (Zhu *et al.*, 2008; Vo & Bartram, 2012). However, the existing government regulations and laws, out-of-date management thinking and knowledge, cultural customs and remaining traditional personnel practices have prevented the full adoption of new forms of people management in Vietnamese organizations (Zhu *et al.*,

2008). In addition, the market-oriented economic system, which has not been fully set up, and the remaining organizational culture in terms of hierarchy and collectivism have made it difficult for the adoption of HRM and SHRM in local organizations (Vo & Bartram, 2012; Zhu *et al.*, 2008).

HRM research in Vietnam since the economic transition in 1986

The developments in the economic, legislative, and social life of Vietnam since 1986 have resulted in significant change in organizations and people management practices in Vietnam. For example, the presence of different ownership types has led to independence for organizations to adopt their own management philosophies, which has resulted in significant variety in their people management practices (Zhu *et al.*, 2007). Hence there has been an increasing number of empirical studies undertaken on HRM in Vietnamese organizations over the last two decades (e.g., Thang & Quang, 2005b; Vo & Bartram, 2012; Zhu *et al.*, 2008).

Specifically, prior studies have found the adoption of HRM in Vietnamese organizations reflects a combination of the socialist tradition, traditional personnel management (PM), and recent HRM models (Thang & Quang, 2005b; Zhu *et al.*, 2008). In addition, studies have highlighted differences in HRM practices in different ownership types. For instance, foreign-owned enterprises display much more progressive and sophisticated HR practices by following international standards of management practice (Quang & Thang, 2004; Zhu *et al.*, 2008; Zhu & Verstraeten, 2013). Privately owned enterprises, on the other hand, are more limited in their implementation of current HR practices, although there are attempts to be systematic and rational in their HRM (Bartram *et al.*, 2009; Thang & Quang, 2005b). Studies have also addressed the different levels of understanding and recognition of the strategic role of HRM in adding value to organizations (Quang & Thang, 2004; Quang *et al.*, 2008). Subsequently, the association between the institutional environment and the adoption of

HRM in Vietnamese organizations has been hinted at, although systematic analysis on how HRM research has evolved in Vietnam is lacking (Vo & Stanton, 2011; Zhu *et al.*, 2008).

Methodology

Data collection process

This study seeks to systematically examine the influence of the institutional context on the development of HRM research in Vietnam through automated content analysis of published articles in HRM. Specifically, this study focuses first on identifying the main themes and concepts emerging in the research since Vietnam's economic transition in 1986. Following this, the study examines the change of focus in HRM research and the institutional influences reflected in Vietnamese HRM research articles. The next stage of analysis focuses on investigating the correlations between contextual attributes and HRM research in Vietnam. And the final stage in the analysis process examines the overall institutional influences on the development of HRM research in the Vietnamese context.

This study utilizes automated content analysis to highlight the central themes and concepts during the last 30 years. Thus, the present study follows the procedures established by Cummings and Daellenbach (2009) and Cretchley, Rooney, and Gallois (2010), who used the content analysis approach to identify semantic relationships between themes and concepts in published articles and how they have changed over time. This study began by collecting and creating a database of HRM journal articles within the Vietnamese context between 1984 and 2013. Specifically, it examines the periods surrounding three economic development milestones: Vietnam's economic reform in 1986 (Doi Moi), the Asian financial crisis in 1997, and the country's WTO membership in 2007. These periods were selected as significant influences on the management of people in Vietnam: Doi Moi changed the economic landscape from a

centrally planned to a market-oriented economy and created a flexible environment that encouraged foreign investment (Quang & Thang, 2004; Zhu & Fahey, 2000); the Asian financial crisis in 1997 spurred transformation of HR in organizations; and Vietnam's joining the WTO in 2007 prompted organizations to transform their organizations by utilizing a new flexible management system to survive as well as to successfully encounter and compete in the global market (Zhu *et al.*, 2007).

The present study also adopted best practice for conducting a systematic literature review as outlined by Short (2009) and developed in recent review articles (e.g., Ucbasaran *et al.*, 2012). These studies emphasized that a comprehensive and thorough review involves examining the body of relevant conceptual and empirical works in the field. In accordance with Short (2009) and Ucbasaran *et al.* (2012), the data collection process consisted of two phases: searching for and screening articles. Firstly, keyword searches were undertaken on the titles, keywords and abstracts of articles indexed with Business Source Complete (EBSCO Publishing), Web of Science (Thomson Reuters), Academic Research Premier (ESCOB Publishing), Emerald Fulltext, ProQuest Science Journals and ProQuest Central databases. Keyword searches initially included "Vietnam", "human resources", and "industrial relations". This first step produced a large number of journal articles and brief introductions to book chapters; for example, there were 220 results in the Business Source Complete database and more than 700 results in Emerald Fulltext. The process then moved to narrow down the pool of potential journal articles.

In the second step, screening criteria were used to decide which articles to include in the analysis after removing replicate articles in different databases. Articles were included if they displayed at least one of the following characteristics: (1) the keywords were mentioned in the abstract and were discussed in sufficient detail to contribute to the focus of the analysis; (2) the articles focused of HRM was on business

(e.g., articles that focused on HIV patients, war, vaccination or natural resources were excluded); (3) the article offered some insight into the environment of the economy and business underlying HRM; (4) the article offered some insight into the movement of industrial relations (IR) and the investment in human capital in business management and macroeconomic management; and (5) the article offered some discussion on the evolution of research on HRM in Vietnam. The present study finally selected 100 journal articles and categorized the data, which comprised titles, abstracts and the entire body without references, into subsets of 10-year periods (1984–1993, 1994–2003, and 2004–2013).

Content analysis using Leximancer software

To examine the content of research on HRM in Vietnam, a content analysis approach was adopted to investigate the 100 articles. This is similar to the approach taken by Singh, Hu, and Roehl (2007) and Verreynne, Parker, and Wilson (2011). The present study decided to conduct the content analysis by using Leximancer software (version 4, www.leximancer.com) as it provides the benefit of “transforming lexical-co-occurrence information from natural language into semantic patterns in an unsupervised manner” (Smith & Humphreys, 2006, p. 262). That is, words are identified and combined to form concepts (thematic analysis) and relationships (semantic analysis) between concepts can be identified (Verreynne *et al.*, 2011).

In Leximancer, similar concepts tend to settle together in close proximity by coding concepts that co-occur often within the same two-sentence block. In this study, concepts were created for each decade without a relational force imposed in the overall analysis (Cretchley *et al.*, 2010). This allowed the addition of details regarding the conceptual nature of each period for comparative purposes. Clusters of concepts are then grouped by theme circles and a concept map is generated. Each theme is identified by the most prominent concept in that group, which is indicated by the largest dot in the

theme cluster (Cretchley *et al.*, 2010). The shading of the theme reflects the frequency with which concepts within the theme appear in the texts: the darker a circle, the more frequently that concept occurs overall. Closeness in the map refers to the extent to which two or more concepts appear frequently in similar contexts (adjacent sentences in abstracts). The centrality of a concept within a map refers to how often it co-occurs with many of the other prominent concepts (Cummings & Daellenbach, 2009). The concept map, ranked concept list, Insight Dashboard and text query options help the researcher to understand the relationships between concepts (Cretchley *et al.*, 2010).

The reliability of Leximancer is evaluated in two ways: stability and reproducibility. Stability is equivalent to intercede reliability (Smith & Humphreys, 2006). Leximancer is highly consistent in the way it classifies text and identifies the relationship between concepts – the same result is produced no matter how many times a data set is coded and recoded (Smith & Humphreys, 2006). The concept maps are developed over several iterations to check for a stable concept configuration (Cretchley *et al.*, 2010; Smith & Humphreys, 2006). In this study, data cleaning was undertaken at each analytical step of the analyses in terms of merging plural and singular words (e.g., organization and organizations), and removing common function words and general terms (e.g., research, study, paper, etc.) from the concept seeds (Cretchley *et al.*, 2010). Leximancer software was used to analyze both the entire data set and each decade individually. For the overall data set, Leximancer identified where each decade was situated in relation to the overall landscape of the data set. This approach allowed the researcher to examine the semantic focus of each decade and the changes over time (Smith & Humphreys, 2006; Verreynne *et al.*, 2011).

Results

The findings are presented in four separate analyses. The first analysis explores themes and concepts by decade. In this step, this study focused on identifying themes and

concepts that potentially show the association between contextual conditions and the extent of research on HRM in Vietnam. The second analysis presents a comparison between concepts and decades. The third analysis discovers contextual aggregated attributes identified in previous studies. And finally, the fourth analysis reviews methodologies and theories applied in previous studies on HRM in Vietnam.

Analysis 1: An exploration of themes and concepts

Figure 1 presents five themes that emerged from the grounded analysis by decade. In order to distinguish themes and concepts, the present study identified concepts in italics and themes by capitalizing their first letter. Themes are arranged in descending rank order, with the most prominent theme, HRM, ranked as “1”, followed by Economy (“2”) and so on to the least prominent theme, Trade Unions, which is ranked as “5”.

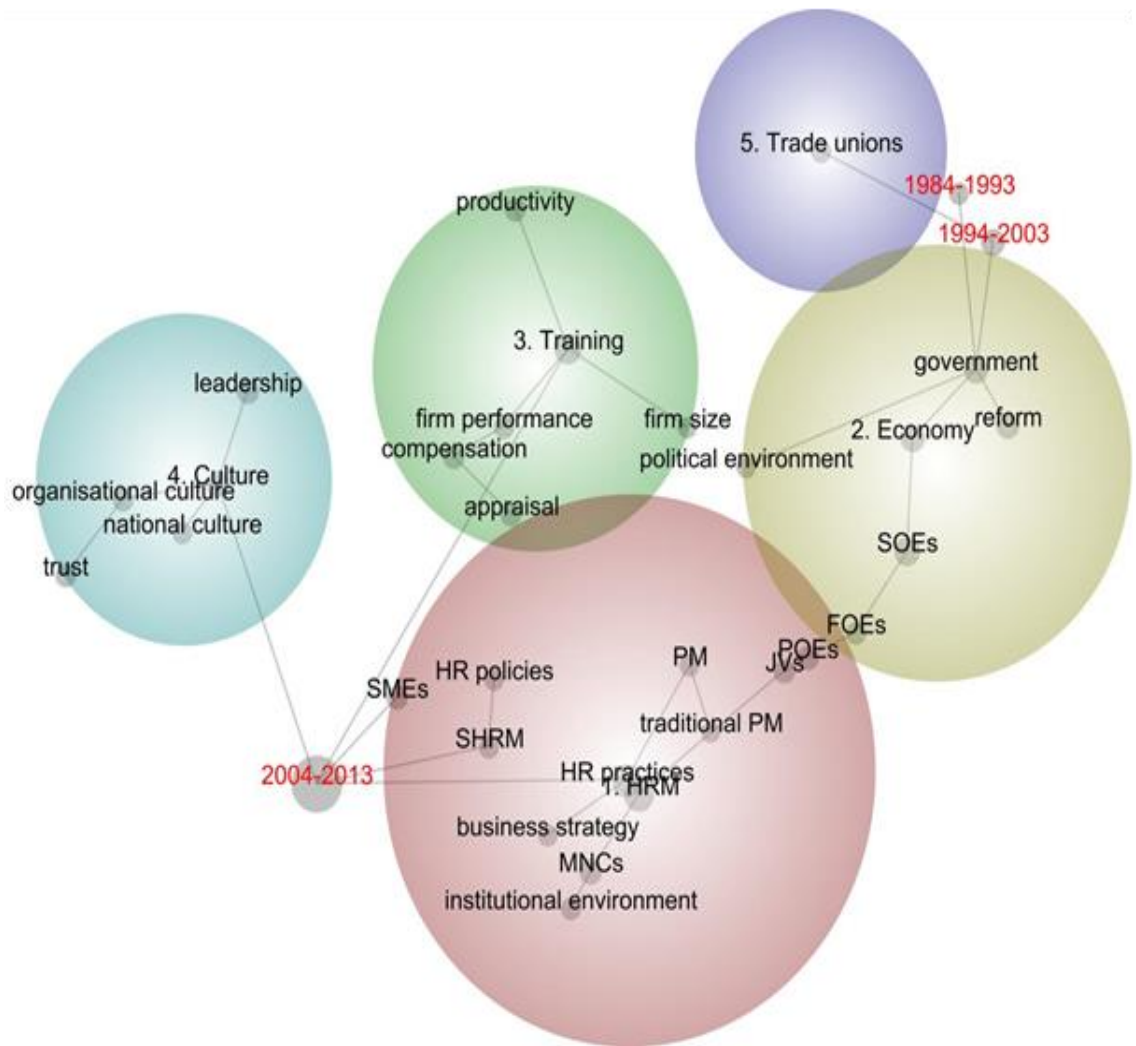


Fig. 1 Concept map of HRM research in Vietnam (1984–2013)

Figure 1 shows the most important theme was HRM (comprised of *HRM, HR practices, MNCs, POEs, SMEs, JVs, institutional environment, PM, SHRM, HR policies, business strategy* and *traditional PM*). The darkest color of this theme shows that most studies in the last 30 years focused on the topic of HRM. In terms of lines between concepts in this theme, HRM showed a close link to business strategy (*HRM* and *strategy*). In addition, a group of concepts in this theme showed that studies examined different people management models existing in a variety of ownership types (*MNCs, POEs, SMEs, and JVs*). This theme illustrated the relationship between the institutional environment and MNCs (*MNCs* and *institutional environment*). Moreover, this theme contained different types of HRM: strategic HRM (*SHRM*), personnel management (*PM*) and traditional personnel management.

The second important theme was Economy (consisting of *SOEs, economy, government, reform, FOEs* and *political environment*). Research on HRM in Vietnam has blossomed since the economy was reformed, which resulted in significant changes in social life and political environment. This theme illustrated that the government was linked to the economy and was associated with the process of economic reform (*economy, government* and *reform*). In addition, studies on HRM were interested in the presence of FOEs even though SOEs still dominate in the economy. Furthermore, a link between the political environment and government was reflected in this theme (*political environment*).

Training (consisting of *firm size, firm performance, compensation, appraisal* and *productivity*) was ranked third in the concept map. Training is perceived as a way to change behavior, knowledge and motivation of employees. The theme displayed that training was linked to productivity. In addition, research on HRM in Vietnamese organizations showed a relationship between training and firm performance, which was

related to compensation. Moreover, previous HRM studies in Vietnam have exhibited the connection between appraisal and compensation.

The fourth important theme in this study was Culture (made up of *leadership*, *organizational culture*, *national culture* and *trust*). In previous studies, culture has included organizational culture and national culture. In addition, organizational culture was related to trust within organizations. Culture was also associated with leadership in this theme.

The last theme identified was Trade Unions (consisting of a single concept: *trade unions*). Trade unions received attention due to the influence of economic reform on the management of employment relations. After the Asian financial crisis, trade unions evolved to represent the voice of employees in organizations.

Within a theme circle, the prominence of a concept is reflected visually by the “size” of its dot (Cretchley *et al.*, 2010). Based on the size of the concept dots, Leximancer software calculates the statistical importance of the concepts. The top three concepts were: *training* (10% relevance), *HRM* (8% relevance) and *HR practices* (8% relevance). Concepts such as *economy*, *SOEs* and *government* ranged between 4 and 6% relevance.

The position of individual concepts and decades made it possible to determine the closeness of their semantic relationship to other concepts and decades. In Figure 2, *HRM* had a strong association with the period 2004–2013 and with most other concepts on the map. Specifically, *HRM* was most strongly connected with *HR practices* (100%), *traditional personnel management* (69%), and *personnel management (PM)* (48%). *HRM* was also connected to *institutional environment* and *business strategy*. This finding resulted in a starting point for further analyses.

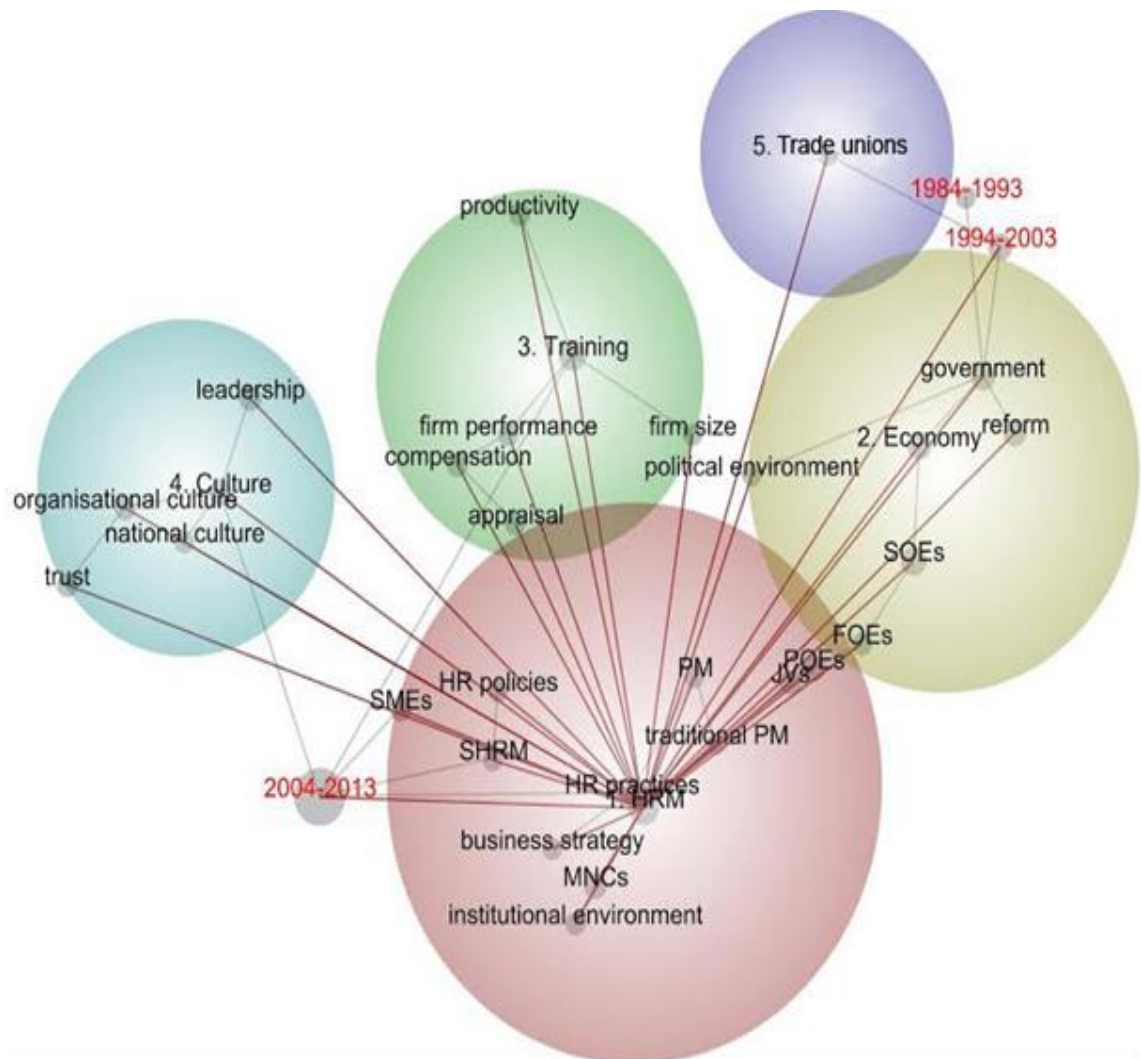


Fig. 2 The connection between the most prominent concept, *HRM*, with the others identified by Leximancer

Analysis 2: A comparison of HRM research in Vietnam by decades

Our second analysis used Insight Dashboard in Leximancer to analyze and compare the relative frequency and the strength between prominent concepts and decades. The relative frequency represents a conditional probability. The strength score is the reciprocal conditional probability. Strong concepts distinguish a given time period from others, whether or not the concepts are mentioned frequently. The prominence scores that combine the strength and frequency are measures of the correlation between a specific time period and given concepts.

The Quadrant Report (see Figure 3) comprises four quadrants. The concepts in the first two quadrants are unique in the specific time period, with the difference being that the concepts in Quadrant 1 are seldom discussed whereas those in Quadrant 2 are often mentioned. By contrast, the concepts in the last two quadrants are not unique in the specific time period, with the concepts in Quadrant 3 often mentioned but those in Quadrant 4 seldom discussed.

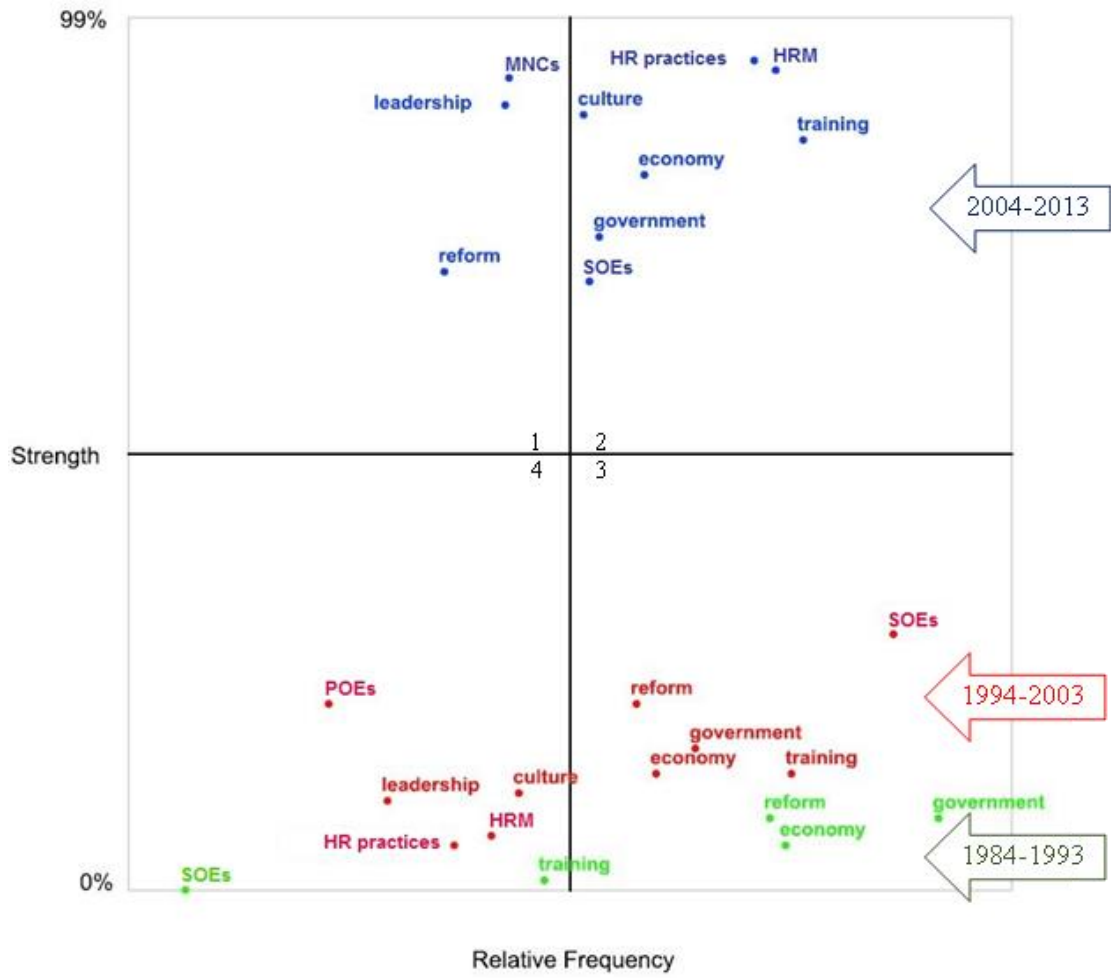
































Fig. 3 Quadrant report by decades (1984–2013)

Table 1 shows the ranked order of the concepts generated by Leximancer. *SOEs*, *government*, *reform* and *economy* were four common concepts in HRM articles during the last 30 years. Furthermore, the first decade was strongly correlated with both government and reform (prominence scores of both concepts = 2.4). While *SOEs* was less likely to appear in the first and the last decades, this concept was most likely to appear in the decade 1994–2003 (prominence score = 2.2). The association between *economy* and the three decades did not vary much. In addition, concepts such as *HR practices* and *HRM* were strongly important in the period 2004–2013 (94% and 93% strength, respectively).

Table 1 Ranked concepts for categories (1984–2013)

Category:1984-1993				Category:1994-2003			
Concept	Rel Freq (%)	Strength (%)	Prominence	Concept	Rel Freq (%)	Strength (%)	Prominence
government	13	8	 2.7	SOEs	12	29	 2.2
reform	8	8	 2.4	POEs	2	21	 1.6
economy	8	5	 1.5	reform	5	21	 1.6
PM	1	4	 1.3	government	6	16	 1.2
compensation	1	1	 0.5	economy	5	13	 1.0
training	4	1	 0.4	training	8	13	 1.0
appraisal	< 1	1	 0.4	culture	3	11	 0.9
POEs	< 1	1	 0.3	leadership	2	10	 0.7
SOEs	1	< 1	 0.2	HRM	3	6	 0.5
MNCs	< 1	< 1	 0.1	HR practices	3	5	 0.4

Category:2004-2013			
Concept	Rel Freq (%)	Strength (%)	Prominence
HR practices	7	94	 1.1
HRM	8	93	 1.1
MNCs	3	92	 1.1
leadership	3	89	 1.1
culture	4	88	 1.1
training	9	85	 1.0
economy	5	81	 1.0
government	5	74	 0.9
reform	3	70	 0.9
SOEs	4	69	 0.8

Analysis 3: Relationship between contextual attributes and the evolution of HRM in Vietnam

The present study continuously analyzed the contextual attributes of the texts' embedded profiled concepts. Our anchoring of contextual attributes in this study was consistent with previous studies (e.g., Jackson & Schuler, 1995; Gooderham et al., 1996, 2006; Kostova & Roth, 2002; Scott, 2008), suggesting that such attributes can be categorized into two groups: external and internal environment dimensions. Attributes of the external environment dimension were government, legal regulations, labor unions, political culture, political structure of a country and ownership types, while attributes of the internal environment dimension were firm size, perceptions of management, unionization and economic interests of organizations. Table 2 provides examples of aggregated contextual attributes underlying the evolution of HRM in Vietnam. The contextual environment embedding the development of HRM in Vietnam is summarized in Figure 4.

Table 2 Example of contextual underpinnings of the data

Leximancer-profiled concepts	Sample quotes	Themes	Contextual aggregated attributes	
			External environment	Internal environment
Government	<p>“[T]he government continued its commitment to re-enforcing social stability and formalising the labour relations system by issuing a series of new policies.” (Collins <i>et al.</i>, 2011, p. 366)</p> <p>“The government sees economic reform as a means to improve economic growth and living standards;...the government hopes that if people benefit from the reform, they will support the reform policy and, in return, the party-state will gain ‘legitimacy’ to rule society.” (Zhu <i>et al.</i>, 2008, p. 173)</p> <p>“[T]he government has sought to protect the traditional (or socialist) ideology, because they have no coherent organizational base.” (Collins <i>et al.</i>, 2011, p. 366)</p>	<p>Labor policy and regulations</p> <p>Political environment</p> <p>Political environment</p>	<p>Legal regulations</p> <p>Government</p> <p>Political structure</p>	
Reform	<p>“A central aim of economic reform is to curtail centralised economic decision making.” (Zhu & Fahey, 1999, p. 176)</p> <p>“With the reform of the employment system, individual firms have gained the power to recruit their employees.” (Zhu & Fahey, 1999, p.181)</p> <p>“Although the need for economic renewal is widely accepted, at this stage of reform, individual commitment to the traditional model of management still has strong political and social justification at the</p>	<p>Economic policy</p> <p>Labor policy and regulations</p> <p>Political and social influences</p>	<p>Economic interests of a country</p> <p>Legal regulations</p> <p>Political structure</p>	

Leximancer-profiled concepts	Sample quotes	Themes	Contextual aggregated attributes	
			External environment	Internal environment
	<p>ideological level.” (Thang, 2003, p. 423)</p> <p>“Certainly, the central aim of economic reform is increasing the autonomy of enterprise management. The results are varied, but it seems that managers have enjoyed an increase in power.” (Zhu <i>et al.</i>, 2007, p. 757)</p> <p>“However, the process of reform, known as Doi Moi, has complex influences on enterprise management systems. Different ownership forms may lead to diverse organizational structures, policies, and relationships with internal and external stakeholders.” (Zhu <i>et al.</i>, 2008, p. 158)</p>	<p>Autonomy in Organizational management</p> <p>Impact of Ownership types on management practices</p>	<p>Ownership types</p>	<p>Economic Interests of organizations</p>
Economy	<p>“The second is to improve the understanding by actors in the economy, such as managers in state enterprises and in private businesses, of the appropriate behaviour and political stances which are most likely to elicit desired responses from the actors in the economy.” (Arkadie, 1993, p. 444)</p> <p>“The responsibilities of the trade unions were expanded from wages, bonuses, housing, medical care and treatment, public welfare in factories and localities, labour safety, social security, and the household economy.” (Zhu & Fahey, 2000, p. 289)</p> <p>“The case of Vietnam shows that there is a gradualist trend of transition with a pragmatic approach towards changes domestically (e.g. labour</p>	<p>Responsiveness to institutional environment</p> <p>Responsibilities of Trade Unions</p> <p>State economic control</p>	<p>Political structure</p> <p>Labor unions</p> <p>Government, labor market</p>	

Leximancer-profiled concepts	Sample quotes	Themes	Contextual aggregated attributes	
			External environment	Internal environment
	<p>market) and challenges internationally (e.g. the Asia crisis). Under the process of globalization, a small economy like Vietnam cannot afford to lose its control of key strategic matters that determine the survival of the economy, institutions and national sovereignty.” (Zhu, 2005, p.1274)</p> <p>“In emerging economies like Vietnam, traditional cultural and value systems and the political and legal environments such as the ‘socialist market economy’ could have a profound influence on the adoption and use of a unique people management system.” (Zhu & Verstraeten, 2013, p. 3)</p>	Political and Cultural influences on the adoption of HRM	Political culture	
Personnel management (PM)	<p>“However, historical and ideological barriers sometimes discourage the adaptation of new systems, such as the lack of strategic role for HR manager and the absence of active employee participation in traditional Vietnamese firms. Traditional personnel management still plays a crucial role among the majority of enterprises in which control is more important than empowerment of human resources.” (Zhu, 2002, p. 133)</p> <p>“Broadly, SOEs still largely practice traditional personnel management, IJVs practice cost-focused HRM and private firms experiment with a range of innovations in HRM.” (Bartram <i>et al.</i>, 2009, p. 891)</p>	<p>Institutional constraints to the adoption of HRM</p> <p>Ownership types on the adoption of HRM</p>	Political structure	Ownership types
Training	<p>“The strategic role of the HR department should be recognized by the management in providing appropriate resources and responsibility to the department.” (Quang & Dung, 1998, p. 96)</p> <p>“Unionized and export companies showed a lower degree on this</p>	<p>Perceptions of management</p> <p>Unionization</p>		<p>Perceptions of management</p> <p>Unionization</p>

Leximancer-profiled concepts	Sample quotes	Themes	Contextual aggregated attributes	
			External environment	Internal environment
	<p>dimension [training and development] than their respective counterparts.” (Thang & Quang, 2005b, p. 1840).</p> <p>“The results revealed that the larger the companies, the higher degree of application of performance management and training and development.” (Thang & Quang, 2005b, p. 1840).</p> <p>“They [FIEs] adopt a more cooperative strategy to cope with the requirements of the host country and pay more attention to providing appropriate working conditions and training for their employees.” (Nguyen, Truong, & Buyens, 2011, p. 113)</p> <p>“The paper also presents significant challenges for the related governments that need to provide and manage formal training, as well as to enhance the capabilities of local enterprises in providing training for their employees on an ongoing basis.” (Nguyen, Truong, & Buyens, 2011, p. 116)</p>	<p>influences on the adoption of HRM</p> <p>Firm size on the adoption of HRM</p> <p>Ownership types on the adoption of HRM</p> <p>Government’s involvement</p>	<p>Ownership types</p> <p>Government</p>	<p>Firm size</p>
HRM	<p>“The influences of cultural tradition and the political environment (as a socialist state and its legislation) are crucial determining factors for organizations to adopt certain HRM dimensions.” (Zhu, 2005, p. 1274)</p> <p>“Globalization generates the environment for organizations to adopt some international standardized HRM dimensions, though such</p>	<p>Political and cultural influences on the adoption of HRM</p> <p>Globalization influences</p>	<p>Political culture</p> <p>Economic interests of a</p>	

Leximancer-profiled concepts	Sample quotes	Themes	Contextual aggregated attributes	
			External environment	Internal environment
	<p>development is uneven among the different companies and modification is inevitable.” (Zhu, 2005, p. 1274)</p> <p>“The HR department’s learning orientation seemed stifled as managers relied heavily on government regulation and guidance, and used either a universal common-sense approach to management, or ‘trial and error’, copying and testing ideas from other organizations and industries in a haphazard and eclectic way.” (Vo & Bartram, 2012, p. 3771)</p>	Government’s regulations	<p>country</p> <p>Legal regulations</p>	

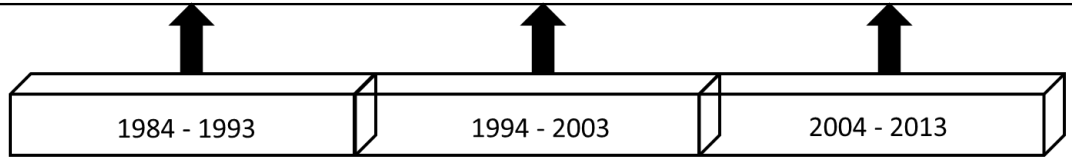
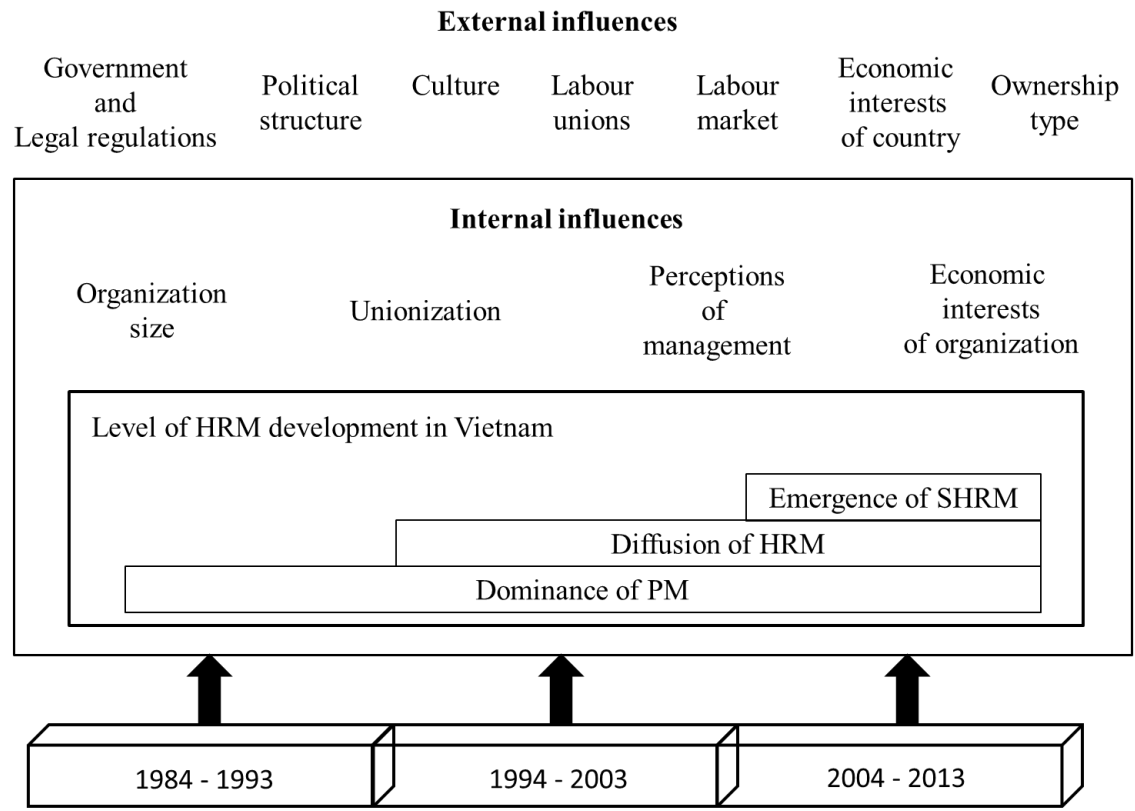


Fig. 4 Embeddedness of contextual environment of HRM evolution in Vietnam

Analysis 4: Methodologies and theories applied in previous studies

Table 3 summaries a variety of methodologies that have been applied in previous studies in Vietnam. In accord with the analysis, prior studies have focused on different ownership types in Vietnam, such as state-owned enterprises, privately owned enterprises or foreign investment companies. Of the collected articles, 30% were conceptual studies that focused on reviewing the literature, 28% were qualitative studies that used case studies and interviews, and 42% were studies using a quantitative approach; however, only 24% of the studies were quantitative research on HRM. Furthermore, of the sampled studies, 90% lacked a clear indication that theories were used as a lens to solve research issues. In terms of quantitative research on HRM, 29.17% indicated theories had been used as a lens to develop the proposed models.

Table 3 Methods and theories applied in previous studies

Period	Study	Review	Qualitative	Quantitative	Theory applied in previous studies	Ownership types of studied organizations
Doi Moi	Arkadie (1993)	✓				
	Riedel (1993)		✓			
Asian Financial Crisis	Dollar (1994)	✓				
	Curry (1996)	✓				
	Quang <i>et al.</i> (1998)			✓	Not specific	JVs
	Thant & Than (1998)	✓				
	Quang & Dung (1998)			✓	Not specific	SOEs
	Zhu & Fahey (1999)	✓				
	Berrel <i>et al.</i> (1999)		✓			
	McDaniel <i>et al.</i> (1999)	✓				
	Zhu & Fahey (2000)	✓				
	Kamoche (2001)		✓			
	Zhu (2002)	✓				
	Thang (2003)	✓				
	Laverack & Dap (2003)	✓				
WTO	Thang & Bryant (2004)			✓	Not specific	Not specific
	Hsieh <i>et al.</i> (2004)			✓	Not specific	Not specific
	Glewwe & Jacoby (2004)			✓	Not specific	
	Deshpande <i>et al.</i> (2004)			✓	Not specific	SOEs and JVs
	Neupert <i>et al.</i> (2005)		✓			
	Napier (2005)		✓			
	Thang & Quang (2005a)			✓	Not specific	SOEs, FOEs, EQCs, POEs
	Thang & Quang (2005b)			✓	Not specific	SOEs, FOEs, EQCs, POEs

Period	Study	Review	Qualitative	Quantitative	Theory applied in previous studies	Ownership types of studied organizations
	Zhu (2005)		✓			
	Hoang <i>et al.</i> (2005)			✓	Not specific	FOEs, JVs, SOEs, POEs
	Onishi & Bliss (2006)			✓	Not specific	Not specific
	King-Kauanui <i>et al.</i> (2006)			✓	Not specific	Not specific
	Thuy & Swierczek (2006)			✓	Not specific	SOEs, POEs, FOEs, JVs
	Clarke (2006)	✓				
	Tran (2007)		✓			
	Clarke <i>et al.</i> (2007)	✓				
	Zhu <i>et al.</i> (2007)	✓				
	Bodolica & Waxin (2007)		✓			
	Thang <i>et al.</i> (2007)	✓				
	Truong & Quang (2007)			✓	Psychological contract	Not specific
	Thang & Quang (2007)	✓				
	Zhu <i>et al.</i> (2008)		✓			
	Moe (2008)			✓	Not specific	Not specific
	Ngoc (2008)			✓	Not specific	Not specific
	Tuang & Stringer (2008)		✓			
	Ngoc (2008)			✓	Not specific	Not specific
	Thang <i>et al.</i> (2008)			✓	Contingency theory	Not specific
	Vo (2009)		✓			
	Clarke & Pringle (2009)	✓				
	Cheng & Lin (2009)			✓	Not specific	FOEs
	Bartram <i>et al.</i> (2009)			✓	Not specific	SOEs, JVs, POEs
	Anh & Swierczek (2009)			✓	Not specific	POEs
	Thu <i>et al.</i> (2010)			✓	Not specific	Not specific
	Leung (2010)	✓				
	Quang <i>et al.</i> (2010)	✓				

Period	Study	Review	Qualitative	Quantitative	Theory applied in previous studies	Ownership types of studied organizations
	Nam <i>et al.</i> (2010)		✓			
	Manning (2010)	✓				
	Vo & Rowley (2010)		✓			
	Froese <i>et al.</i> (2010)			✓	Country of origin image theory	FOEs
	Dong <i>et al.</i> (2010)			✓	Theory of reasoned action	Not specific
	Oh <i>et al.</i> (2011)			✓	Not specific	Not specific
	Anh & Cuong (2011)			✓	Not specific	Not specific
	Thang <i>et al.</i> (2011)	✓				
	Caldwell <i>et al.</i> (2011)	✓				
	Vo & Stanton (2011)		✓			
	Larsen <i>et al.</i> (2011)			✓	Not specific	Not specific
	Pham (2011)	✓				
	Collins (2011)	✓				
	Thang & Quang (2011)			✓	Not specific	Not specific
	Tuan (2011)	✓				
	Baughn <i>et al.</i> (2011)			✓	Social capital theory	JVs
	Collins <i>et al.</i> (2011)	✓				
	Fincher (2011)		✓			
	Tho & Trang (2011)			✓	Human capital theory	SOEs, JVs, POEs, JSs
	Napier <i>et al.</i> (2011)	✓				
	Vo & Hannif (2011)		✓			
	Boh <i>et al.</i> (2012)			✓	Not specific	FOEs
	Tuan (2012a)			✓	Not specific	SOEs, POEs, FOEs, JVs
	Wang & Tran (2012)			✓	Not specific	
	Cooke & Lin (2012)		✓			
	Shultz (2012)	✓				

Period	Study	Review	Qualitative	Quantitative	Theory applied in previous studies	Ownership types of studied organizations
	Paswan & Trang (2012)	✓				
	Vo & Bartram (2012)		✓			
	Tuan (2012b)			✓	Not specific	JVs
	Vo & Hannif (2012)		✓			
	Tuan (2012c)		✓			
	Kim <i>et al.</i> (2012)			✓	Person-Organization fit theory	FOEs
	Tuan & Ngoc (2012)			✓	Not specific	Not specific
	Tuan (2012d)		✓			
	Tri (2012)		✓			
	Prota & Beresford (2012)			✓	Social network theory	Not specific
	Santarelli & Tran (2012)			✓	Knowledge spillover theory of entrepreneurship	Not specific
	Zhu & Verstraeten (2013)			✓	Not specific	FOEs, JVs, SOEs, POEs
	Nguyen <i>et al.</i> (2013)			✓	Not specific	FOEs
	Vo & Warner (2013)		✓			
	Warner (2013)	✓				
	Tuan (2013a)			✓	Not specific	SOEs, POEs, FOEs, JVs
	Chi (2013)		✓			
	van Gramberg <i>et al.</i> (2013)		✓			
	MacIntosh (2013)		✓			
	Tuan (2013b)			✓	Not specific	SOEs, POEs, FOEs, JVs
	Nguyen <i>et al.</i> (2013)		✓			
	Santarelli & Tran (2013)			✓	Human capital theory, social capital theory	Not specific
	Collins <i>et al.</i> (2013)		✓			
	Montague (2013)	✓				

Discussion and implications

Based on Cooke's (2016) recommendation for the need to undertake more systematic research on the contextual conditions necessary for HRM research, the first aim of the present study was to take up this challenge by providing a systematic understanding of the evolution of HRM research in Vietnam over a 30-year period. This study also provides evidence of context-specific factors and their influence on the evolution of HRM in a developing economy – an area that has not been previously examined in the literature (as advocated by Budhwar & Debrah, 2009; Rowley, 2011; Rowley & Warner, 2010). The second aim of this study was to provide directions for future studies on HRM in Vietnam. In general, the semantic analysis of 100 journal articles published over the last 30 years identified the evolution of HRM research, which was associated with three major economic development periods in Vietnam. In addition, we found evidence for the relationship between the institutional environment and the evolution of HRM in Vietnam. The following sections discuss the contributions of this study and directions for future research.

The evolution and development of HRM in Vietnam

Wright and McMahan (1992) argued that the application of institutional theory helps us understand the determinants of HR practices in a certain environment. At the micro- or organizational level, a number of studies have applied institutional theory to investigate the adoption of HR practices in foreign-owned subsidiaries of multinational companies in host economies (e.g., Bjorkman *et al.*, 2007; Fey *et al.*, 2009). At the macro- or national level, other studies using institutional theory have affirmed that institutional influences explain the convergence and divergence of organizational structures, behaviors and HR practices between countries (e.g., Aycan, 2005; Gooderham *et al.*, 2006; Sparrow *et al.*, 1994). This present study has contributed to the literature by systematically analyzing how HRM evolves and develops in a specific context through

the use of an institutional lens. Prior studies have explored different aspects of HRM in Vietnam, such as the application of HR practices (Thang & Quang, 2005b; Zhu *et al.*, 2008) or the relationship between training and organizational performance (Nguyen *et al.*, 2011). The current study has contributed to the literature by providing a logical, consistent and coherent understanding of the transformation of HRM in Vietnam through a comprehensive semantic analysis. As a result, we have identified and summarized the research objectives in studies conducted over the last 30 years.

In particular, the current study affirms that the transformation of HRM in Vietnam is in response to the country's economic development stages: Doi Moi, the Asian financial crisis and WTO membership in 2007, as identified in our analysis. In the period of Doi Moi, the economic transition and the role of the government in building management capacity for government officials led to attention on compensation and training with a need for the efficient performance of reformed public administration (Arkadie, 1993). The contextual conditions of the country during this time did not encourage the emergence of people management systems in organizations because human resources were not highly valued. Thus, people management practices, including training and compensation, during this period were at a low level with an administrative orientation that did not contribute value to the organization (Truong & van der Heijden, 2009; Zhu *et al.*, 2008).

In the following decade (1994–2003), the lead up to and the Asian financial crisis of 1997 put pressure on local organizations to utilize human resources' contributions in order to survive in the market competition (Zhu & Fahey, 1999, 2000; Zhu *et al.*, 2007). In addition, the increasing presence of foreign-owned enterprises during this period led to the introduction of the Western concept of HRM to local organizations (Zhu, 2002; 2005). These demands and changes in the economic environment made Vietnamese organizations realize the necessity of transforming their

traditional personnel management practices. Due to these changes in the economic environment, this study's findings show that, together with the existence of traditional personnel management, the school of HRM began to emerge in Vietnam. Research on people management systems in Vietnam started to investigate HR practices that could add strategic value; for example, training and development were found to motivate work ethic and employee behaviors which, in turn, supported an organization's strategic goals (Kamoche, 2001; Zhu, 2002, Zhu *et al.*, 2007).

In the most recent decade (2004–2013), the most prominent concept of HRM reflects how important HRM has become for the country's competitiveness and the increasing scrutiny of the concept in Vietnam (Bartram *et al.*, 2009; Quang, van de Heijden, & Rowley, 2010). This finding is partially consistent with arguments of SHRM in Western economies in the 1990s, namely that HRM needed to shift from an administrative focus to integration with an organization's business strategy (Storey, 2007; Walker, 1992). The research findings can be explained by the economic situations in this period. Becoming a member of WTO opened up opportunities for Vietnam to attract more foreign investments, yet it also led to the competition between local and foreign investment organizations for a share of the relatively small pool of highly qualified workers (The World Bank, 2012; Zhu, 2002, 2005). This global competition has urged Vietnamese organizations to be more strategic in managing human resources in order to compete for skilled labor (The World Bank, 2012; Zhu, 2005). These economic situations have also driven the study of HRM and SHRM strategies that have been transferred from Western economies into the Vietnam context, particularly when a full integration of HRM into organizations' business strategies is queried (Bartram *et al.*, 2009; Nguyen *et al.*, 2011; Thang & Quang, 2005b; Zhu *et al.*, 2008).

Directions for future research

The institutional environment can lead to the convergence and divergence of HRM functions in different countries because of their differing institutional and economic landscapes (Gooderham *et al.*, 1999; Gooderham *et al.*, 2006; Kostova & Roth, 2002). Such convergence and divergence allows debates about “best practice” and “best fit” approaches to persist (Armstrong, 2011; Lengnick-Hall *et al.*, 2009). Therefore, despite developments of HRM studies in Western economies, little is known about how HRM emerges and plays out in non-Western settings. By highlighting the specific contexts and institutional influences on HRM research in Vietnam, this research contributes to understanding how various factors influence the design of HRM systems in developing economies. Thus, the research findings provide a greater understanding of the dynamism of strategic HRM.

Our findings reiterated that the utilization of institutional theory is critical to reflect the contextual underpinnings of research in a particular context. Specifically, the findings in this study showed that the evolution of HRM in Vietnam has been influenced by Vietnam’s economic development. Changes that have occurred in Western economies, such as new technology, globalization and the growth of knowledge work, have meant Western organizations acknowledge the importance of human capital in the success of organizations (Hayton *et al.*, 2011; Lawler III, 2011; Welbourne, 2012). Congruently, these global changes have also influenced the Vietnamese economy, such as when Vietnam joined the international market and the government urged Vietnamese organizations to invest in intangible assets (i.e., knowledge, skills and abilities of human resources) to be competitive (The World Bank, 2012). The present study lends support to the argument that institutional forces are key indicators leading to changes in managing people in organizations (Gooderham *et al.*,

1999; Jackson & Schuler, 1995). Based on the analysis of the present study, we propose several research directions for future studies of HRM in Vietnam.

Theme 1: Human resource management

When HRM is seen as a key factor in creating sustained competitive advantage for an organization (Bartram *et al.*, 2009; Truong & van der Heijden, 2009), it is critical for future HRM studies in Vietnam to answer the questions of “what” and “how” HRM can add value in the organization. Our review showed that previous studies on HRM in Vietnam may be described as being at the “practice-focused” stage (Truong & van der Heijden, 2009). Studies on traditional HRM topics related to the application of HRM practices such as recruitment, selection, compensation and training in a variety of organizational types are common (e.g., Thang & Quang, 2005b, Zhu *et al.*, 2008). However, previous studies examining such HR practices in Vietnamese organizations have done so without examining if these practices were intended or implemented in the HRM-performance relationship (see the discussion in Guest, 2011; Khilji & Wang, 2006). This literature argues that high-performing organizations are characterized by the effectiveness of implemented HR practices (Posthuma *et al.*, 2013). Therefore, there is a need to investigate “actual” implemented HR practices, which could lead to a better understanding of sustainable performance in Vietnamese organizations (Huselid, 1995; Khilji & Wang, 2006).

Institutional theory argues that ownership types influence HR practices in a certain environment (Gooderham *et al.*, 1999; Zhu *et al.*, 2008). Prior studies have examined management practices in different types of organizations; for example, Thang and Quang (2005b) and Zhu *et al.* (2008) found different HR practices adopted between state-owned, privately owned and foreign-owned organizations in Vietnam. More recently, Zhu and Verstraeten (2013) continued to identify differences in HR practices between ownership types. As Kamoche (2001) argued, ownership types have been an

important factor leading to differences between local and foreign-owned organizations in Vietnam. Future studies on HRM in Vietnam should consider the moderating effect of ownership types when they “not only encompass the influences of external and internal factors to the firm, but they also represent interacting systems of factors that are relevant to the way management practices operate” (Ngo *et al.*, 2008, p. 76).

Due to the influence of global changes on the Vietnamese economy and the existence of a hybrid model of personnel management, HRM and SHRM existing in Vietnamese organizations (Zhu *et al.*, 2007; Zhu *et al.*, 2008), future studies should look beyond the transferability of personnel management to HRM and SHRM. Like in other Western economies, this study found a link between HRM and business strategy in Vietnam. Future research can focus on issues facing the HRM function in Vietnam such as how HRM performs as a business partner in Vietnamese organizations, including the department’s strategic orientation, roles, and contribution to strategic planning and organizational effectiveness. Also, our study found that most prior studies on HRM in Vietnam have not clearly shown theories as a lens to examine research problems. Therefore, a well-developed theoretical framework of HRM effectiveness in future studies will be useful and critical for researchers, HR practitioners and HR departments in response to the strategic contribution of HRM to the overall performance of Vietnamese organizations (Quang & Thang, 2004; Truong & van der Heijden, 2009; Vo & Bartram, 2012).

Theme 2: Training and development

Institutional theory addresses the important role of the government in structuring mechanisms to link economic development and skill formation/development at the macro level (Meyer & Rowan, 1977; Scott, 2008). Finegold and Soskice (1988) argued that training and development play a critical role for a country in terms of international competitiveness. A country requires a competent workforce capable of rapid

adjustments and the development of technology and innovative products. A failure in training and development results in a poor quality of products which is associated with poor economic development (Finegold & Soskice, 1988). Future studies on training and skill formation at the macro level are important for policy makers, educational institutions and labor-use organizations to bridge the gap between skill demand and supply. A competent workforce will help the country to be more competitive with other economies and sustain the economic development of Vietnam. Therefore, future studies can utilize institutional theory to investigate the involvement of the government and the country's economic development strategy in the creation of a competent workforce. Moreover, scholars could examine the role of Vietnam's political systems in crafting the policies necessary for skill development and formation. Future studies could also investigate the roles and interrelations of all agencies, such as the Ministry of Education and Training, educational institutions, and enterprises in Vietnam involved in training and skill formation within the country's workforce. Such empirical evidence at the macro level will guide the government and all agencies involved in skill formation to develop effective policies and practices that will create the workforce needed for Vietnam to compete successfully with overseas countries and sustain its economic performance in an era of global competition.

Economic development and global competition have focused interest on finding ways to maximize an organization's productivity and performance through a qualified workforce (Bae & Rowley, 2004; Barney, 2001; Wright *et al.*, 2005). Training and development plays a key role in creating, maintaining and sustaining an organization's competitive advantage (Becker *et al.*, 2001; Zhu *et al.*, 2008). Thus, it is not surprising to find that training is one of the main themes found in this study. Prior studies on HRM in Vietnamese settings have only focused on types of training or the link between training and firm performance (e.g., Thang & Quang, 2005b; Thang & Quang, 2011).

Future research can examine the determinants of effective training activities in organizations. In addition, as human capital is a critical strategic resource for sustained competitive advantage (Barney, 2001; Barney, Ketchen & Wright, 2011), future research could consider the integration of institutional theory and human capital theory to examine the institutional contextual factors, such as changes in the labor market or the presence of foreign investment companies, in developing the core competence and workplace skills needed in Vietnam's economic development.

Theme 3: Important influences on HRM: Trade unions, culture and economy

Collins and associates (2011) argued that the role of the government is important in changes to the industrial relations system. Trade unions in Vietnam are expected to increase in influence as their role in employee representation increases (Collins *et al.*, 2013). As trade unions are influential actors in Vietnam, future research could examine the conditions necessary for Vietnam's trade unions to work with government and enterprises to develop the skills and competencies needed for Vietnam to be competitive in the globalized economy. In addition, as trade unions have been found to be associated with the effectiveness of HRM in organizations (De Winnie, Delmotte, Gilbert & Sels, 2013; Galang & Ferris, 1997), future studies could examine whether trade unions in Vietnam have an impact on the performance of the HR department in organizational effectiveness.

The current study found that culture and economy are important as main themes within the research published on HRM in Vietnam over the last 30 years. Vietnam's cultural values are a mixture of Chinese, Western, and socialist values. Vietnamese organizations reflect the country's cultural values in management practices, such as grassroots democracy and delegation (American), and egalitarianism and collective decisions and responsibility (socialism). These values make Vietnamese culture different from that of other countries and require foreign organizations operating in

Vietnam to localize their managerial philosophies and practices (Quang & Thang, 2004; Zhu *et al.*, 2008). Although previous studies have discussed the relationship between HRM and culture or economy (Quang & Thang, 2004; Thang *et al.*, 2007), no study has empirically examined how the HR departments of multinational companies operating in Vietnam can effectively integrate Western HR policies and practices with the traditional Vietnamese cultural values, norms and beliefs held by Vietnamese employees. In addition, globalization has created rapid changes, turbulence, and uncertainties for the management of employees, and organizations' HR departments have also faced challenges in managing the intellectual property held by employees (Budhwar & Debrah, 2009). Future studies could examine how the HR department can design new strategies for managing employees.

Limitations

This study used a semantic analytical approach to show the evolution of HRM research in Vietnam over the last 30 years. Using only databases of published academic articles could possibly have limited the study's findings as other sources (such as books or unpublished monographs) might provide additional information related to the business context and the practice of HRM in Vietnam. Thus, future studies should expand the collection of these sources to provide an understanding of the practice of HRM in Vietnam. Furthermore, we acknowledge that the use of Leximancer, which generates themes and concepts from the text, was unable to show the causal relationships between concepts based on a specific theoretical framework. Furthermore, we acknowledge that the use of Leximancer, which generates themes and concepts from the text, was unable to show the causal relationships between concepts based on a specific theoretical framework. Nevertheless, this particular technique has been used in a number of published studies (e.g., Cummings & Daellenbach, 2009; Verreyne *et al.*, 2011), especially when the aim of the study has been to identify the evolution of a concept over

time. Thus, we conclude that the use of a systematic analysis in the study was still useful in providing semantic results, even given the software's limitation.

Conclusion

We argue that institutional theory is critical in understanding the evolution of HRM research in a developing economy context. Specifically, the study found a relationship between HRM research that focuses on economic development stages and the institutional environment. Firstly, the findings showed that the focus of HRM research in Vietnam has been aligned with three key stages in the country's economic development. Secondly, the study was supportive of the institutional theory by confirming the important role of the institutional environment in shaping distinctive characteristics of HRM in a certain environment. And finally, the study presented directions for future research by using institutional theory.

References

- Arkadie, B. V. 1993. Managing the renewal process: the case of Vietnam. *Public Administration and development*, 13(4): 435-451.
- Armstrong, M. 2011. *Armstrong's handbook of strategic human resource management* (5th ed.). London, Philadelphia: Kogan Page.
- Aycan, Z. 2005. The interplay between cultural and institutional/structural contingencies in human resource management practices. *International Journal of Human Resource Management*, 16(7): 1083-1119.
- Bae, J., & Rowley, C. 2004. Macro and micro approaches in human resource development: context and content in South Korea. *Journal of World Business*, 39: 349-361.
- Barney, J. B. 2001. Resource-based theories of competitive advantage: A ten year retrospective on the resource-based view. *Journal of Management*, 27(6): 643-650.
- Barney, J. B., Ketchen, D. J., & Wright, M. 2011. The future of resource-based theory: Revitalization or decline? *Journal of Management*, 37(5): 1299-1315.
- Bartram, T., Stanton, P., & Thomas, K. 2009. Good morning Vietnam: New challenges for HRM. *Management Research News*, 32(10): 891-904.
- Becker, B., Huselid, M., & Ulrich, D. 2001. *The HR scorecard: Linking people, strategy and performance*. Boston, MA: Harvard Business School Press.
- Bjorkman, I., Fey, C. F., & Park, H. T. 2007. Institutional theory and MNC subsidiary HRM practices: Evidence from a three-country study. *Journal of International Business Studies*, 38(3): 430-446.
- Boon, C., Paauwe, J., Boselie, P., & Hartog, D. D. 2009. Institutional pressures and HRM: developing institutional fit. *Personnel Review*, 38(5): 492-508.

- Brewster, C., Mayrhofer, W., & Morley, M. (Eds.). 2004. Human resource management in Europe: Evidence of convergence? Oxford: Elsevier.
- Budhwar, P., & Debrah, Y. 2009. Future research on human resource management systems in Asia. *Asia Pacific Journal of Management*, 26(2): 197-218.
- Child, J., & Marinova, S. 2014. The role contextual combinations in the globalization of Chinese firms. *Management and Organizational Review*, 10(3): 347-371.
- Collins, N., Nankervis, A., Sitalaksmi, S., & Warner, M. 2011. Labour-management relationships in transitional economies: convergence or divergence in Vietnam and Indonesia. *Asia Pacific Business Review*, 17(3): 361-377.
- Collins, N., Sitalaksmi, S., & Lansbury, R. 2013. Transforming employment relations in Vietnam and Indonesia: case studies of state-owned enterprises. *Asia Pacific Journal of Human Resources*, 51(2): 131-151.
- Cooke, F. L., & Lin, Z. 2012. Chinese firms in Vietnam: investment motives, institutional environment and human resource challenges. *Asia Pacific Journal of Human Resources*, 50(2): 205-226.
- Cooke, F. L. 2016. Context and Context? A critical review of international HRM literature. Paper presented at the Human Resource Division International Conference, University of New South Wales, Kensington, Australia, February.
- Cretchley, J., Rooney, D., & Gallois, C. 2010. Mapping a 40-year history with Leximancer: themes and concepts in the Journal of Cross-Cultural Psychology. *Journal of Cross-Cultural Psychology*, 41(3): 381-328.
- Cummings, S., & Daellenbach, U. 2009. A guide to the future of strategy? The history of long range planning. *Long Range Planning*, 42(2): 234-263.
- Deephouse, D. L. 1999. To be different, or to be the same? It's a question (and theory) of strategic balance. *Strategic Management Journal*, 20(2): 147-166.

- DeNisi, A. S., Wilson, M. S., & Biteman, J. 2014. Research and practice in HRM: A historical perspective. *Human Resource Management Review*, 24(3): 219-231.
- De Winnie, S., Delmotte, J., Gilbert, C., & Sels, L. 2013. Comparing and explaining HR department effectiveness assessments: evidence from line managers and trade union representatives. *The International Journal of Human Resource Management*, 24(8): 1708-1735.
- Dulebohn, J. H., Ferris, G. R., & Stodd, J. T. 1995. The history and evolution of human resource management. In G. R. Ferris, S. D. Rosen, & D. T. Barnum (Eds.). *Handbook of human resource management*: 18-41. Cambridge, Mass: Blackwell.
- Fey, C. F., & Bjorkman, I. 2001. The effect of human resource management practices on MNC subsidiary performance in Russia. *Journal of International Business Studies*, 32(1): 59-75.
- Fey, C. E., Pavlovskaya, A., & Tang, N. 2004. Does one shoe fit everyone? A comparison of human resource management in Russia, China, and Finland. *Organizational Dynamics*, 33(1): 79-97.
- Fey, C. F., Morgulis-Yakushev, S., Park, H. J., & Bjorkman, I. 2009. Opening the black box of the relationship between HRM practices and firm performance: A comparison of MNE subsidiaries in the USA, Finland, and Russia. *Journal of International Business Studies*, 40(4): 690-712.
- Finegold, D., & Soskice, D. 1988. The failure of training in Britain: Analysis and prescription. *Oxford Review of Economic Policy*, 4(1): 21-53.
- Galang, M. C., & Ferris, G. R. 1997. Human resource department power and influence through symbolic action. *Human Relations*, 50(11): 1043-1066.
- Giardini, A., Kabst, R., & Muller-Camen, M. 2005. HRM in the German business system: a review. *Management Revue*, 16(1): 63-80.

- Golden, K. A., & Ramanujam, V. 1985. Between a dream and a nightmare: on the integration of the human resource management and strategic business planning processes. *Human Resource Management*, 24(4): 429-452.
- Gooderham, P. N., & Nordhaug, O. 2010. One European model of HRM? CRANET empirical contributions. *Human Resource Management Review*, 21(1): 27-36.
- Gooderham, P. N., Nordhaug, O., & Ringdal, K. 1999. Institutional and rational determinants of organizational practices: human resource management in European firms. *Administrative Science Quarterly*, 44(3): 507-531.
- Gooderham, P. N., Nordhaug, O., & Ringdal, K. 2006. National embeddedness and calculative human resource management in US subsidiaries in Europe and Australia. *Human Relations*, 59(11): 1491-1513.
- Guest, D. E. 2011. Human resource management and performance: still searching for some answers. *Human Resource Management Journal*, 21(1): 3-13.
- Hayton, J. C., Piperopoulos, P., & Welbourne, T. M. 2011. Celebrating 50 years: 50 years of knowledge sharing: Learning from a field moving forward. *Human Resource Management*, 50(6): 697-714.
- Huselid, M. A. 1995. The impact of human resource management practices on turnover, productivity and corporate financial performance. *The Academy of Management Journal*, 38(3): 635-672.
- Jackson, S. E., & Schuler, R. 1995. Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46(1): 237-264.
- Johns, G. 2006. The essential impact of context on organizational behavior. *Academy of Management Journal*, 31(2): 386-408.
- Kamoche, K. 2001. Human resources in Vietnam: the global challenge. *Thunderbird International Business Review*, 43(5): 625-650.

- Khilji, S. E., & Wang, X. 2006. 'Intended' and 'implemented' HRM: the missing linchpin in strategic human resource management research. *International Journal of Human Resource Management*, 17(7): 1171-1189.
- King-Kauanui, S., Ngoc, S. N., & Ashley-Cotleur, C. 2006. Impact of human resource management: SME performance in Vietnam. *Journal of Development Entrepreneurship*, 11(1): 79-95.
- Kostova, T., & Roth, K. 2002. Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *The Academy of Management Journal*, 45(1): 215-233.
- Lawler III, E. E. 2011. Celebrating 50 years: HR time for a reset? *Human Resource Management*, 50(2): 171-173.
- Lengnick-Hall, M., Lengnick-Hall, C. A., Andrade, L., & Drake, B. 2009. Strategic human resource management: the evolution of the field. *Human Resource Management Review*, 19(2): 64-85.
- Meyer, J., & Rowan, B. 1977. Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2): 340-363.
- Nguyen, T. N., Truong, Q., & Buyens, D. 2011. Training and firm performance in economies in transition: a comparison between Vietnam and China. *Asia Pacific business review*, 17(1): 103-119.
- Ngo, H-Y., Lau, C-M., & Foley, S. 2008. Strategic human resource management, firm performance, and employee relations climate in China. *Human Resource Management*, 47(1): 73-90.
- Poon, I. H-F., & Rowley, C. 2010. Change in Asia: a review of management theory and research related to human resources. *Asia Pacific Business Review*, 16(4): 591-607.

- Posthuma, R. A., Campion, M. C., Masimova, M., & Campion, M. A. 2013. A high performance work practices taxonomy: integrating the literature and directing future research. *Journal of Management*, 39(5): 1184-1220.
- Quang, T. 2006. Human resource management in Vietnam. In A. Nankervis, S. Chatterjee, & J. Coffey (Eds.). *Perspectives of human resource management in the Asia Pacific*: 213-252. Pearson Education, Australia.
- Quang, T., & Thang, L. C. 2004. HRM in Vietnam. In P. Budhwar (Ed.). *Managing human resources in Asia-Pacific*: 173-199. London and New York: Routledge.
- Quang, T., Thang, L. C., & Rowley, C. 2008. The changing face of human resource in Vietnam. In C. Rowley & S. Abdul-Rahman (Eds.). *The changing face of management in Southeast Asia*: 185-221. London and New York: Routledge.
- Quang, T., van der Heijden, B.I.J.M., & Rowley, C. 2010. Globalisation, competitiveness and human resource management in a transitional economy: The case of Vietnam. *International Journal of Business Studies*, 18(1): 75-100.
- Roehling, M. V., Boswell, W. R., Caligiuri, P., Feldman, D., Graham, M. E., Guthrie, J., et al. 2005. The future of HR management: Research needs and directions. *Human Resource Management*, 44(2): 207-216.
- Rowley, C., & Warner, M. 2010. Management in South-East Asia: key findings, conclusions and prospects. *Asia Pacific business review*, 16(2): 259-267.
- Rowley, C. 2011. Context, developments and interactions in the HRM system in South Korea: between rigidity and flexibility. *Journal of Comparative Asian Development*, 4(1): 105-133.
- Schuler, R. A. 1992. Strategic human resources management: linking the people with the strategic needs of the business. *Organizational Dynamics*, 21(1): 18-32.
- Scott, W. R. (Eds.). 2008. *Institutions and organizations – ideas and interests*. Los Angeles, London, New Delhi, Singapore: Sage Publications.

- Short, J. 2009. The art of writing a review article. *Journal of Management*, 35(6): 1312-1317.
- Singh, N., Hu, C., & Roehl, W. S. 2007. Text mining a decade of progress in hospitality human resource management research: Identifying emerging thematic development. *Hospitality Management*, 26(1): 131-147.
- Smith, A. E., & Humphreys, M. S. 2006. Evaluation of unsupervised semantic mapping of natural language with Leximancer concept mapping. *Behavior Research Methods*, 38(2): 262-279.
- Sparrow, P., Schuler, R. S., & Jackson, S. E. 1994. Convergence or divergence: human resource practices and policies for competitive advantage worldwide. *The International Journal of Human Resource Management*, 5(2): 267-299.
- Storey, J. (Ed.). 2007. *Human resource management: a critical text*. London: Thomson Learning.
- Thang, N. V., & 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*, 22(6): 595-613.
- Thang, L. C., & Quang, T. 2005b. Antecedents and consequences of dimensions of human resource management practices in Vietnam. *International Journal of Human Resource Management*, 16(10): 48-64.
- Thang, L. C., Rowley, C., Quang, T., & Warner, M. 2007. To what extent can management practices be transferred between countries? The case of human resource management in Vietnam. *Journal of World Business*, 42(1): 113-127.
- The World Bank. 2012. *Vietnam Development Report*. <http://www.worldbank.org/en/news/feature/2012/01/12/vietnam-development-report-2012-an-overview>, Accessed Jun. 28, 2013.

- Tregaskis, O., & Brewster, C. 2006. Converging or diverging? A comparative analysis of trends in contingent employment practice in Europe over a decade. *Journal of International Business Studies*, 37(1): 111-126.
- Truong, Q., & van der Heijden, B.I.J.M. 2009. The changing face of human resource management in Vietnam. In C. Rowley & Q. Truong (Ed.). *The changing face of Vietnamese management*: 24-49. New York: Routledge.
- Ucbasaran, D., Shepherd, D. A., Lockett, A., & Lyon, S. J. 2012. Life after business failure: the process and consequences of business failure for entrepreneurs. *Journal of Management*, 39(1): 163-202.
- Ulrich, D., & Dulebohn, J. H. 2015. Are we there yet? What's next for HR? *Human Resource Management Review*, 25(2): 188-204.
- Verreyne, M. L., Parker, P., & Wilson, M. 2011. Employment systems in small firms: a multilevel analysis. *International Small Business Journal*, 31(4): 405-431.
- Vo, A., & Stanton, P. 2011. The transfer of HRM policies and practices to a transitional business system: The case of performance management practices in the US and Japanese MNEs operating in Vietnam. *The International Journal of Human Resource Management*, 22(17): 3513-3527.
- Vo, A., & Bartram, T. 2012. The adoption, character and impact of strategic human resource management: a case study of two large metropolitan Vietnamese public hospitals. *The International Journal of Human Resource Management*, 23(18): 3758-3775.
- Walker, J. W. (1992). *Human resource strategy*. New York: McGraw-Hill, Inc.
- Warner, M. 2011. Society and HRM in China. *The International Journal of Human Resource Management*, 22(16): 3223-3224.
- Warner, M. 2013. Comparing human resource management in China and Vietnam: An overview. *Human Systems Management*, 32(4): 217-229.

- Welbourne, T. M. 2012. Editor-in-chief's note: HRM: the field of dreams. *Human Resource Management*, 51(3): 309-311.
- Wright, P. M., & McMahan, G. C. 1992. Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2): 295-320.
- Wright, P., Gardner, M., Moynihan, T., & Allen, L. 2005. The relationship between HR practices and firm performance: examining causal order. *Personnel Psychology*, 58(2), 409-44.
- Zhu, Y., & Fahey, S. 1999. The impact of economic reform on industrial labor relations in China and Vietnam. *Post-Communist Economies*, 11(2): 173-192.
- Zhu, Y., & Fahey, S. 2000. The challenges and opportunities for trade union movement in the transition era: two socialist market economies – China and Vietnam. *Asia Pacific Business Review*, 6(3): 282-299.
- Zhu, Y. 2002. Economic reform and human resource management in Vietnam. *Asia Pacific Business Review*, 8(3): 115-134.
- Zhu, Y. 2005. The Asian crisis and the implications for human resource management in Vietnam. *The International Journal of Human Resource Management*, 16(7): 1261-1276.
- Zhu, Y., Warner, M., & Rowley, C. 2007. Human resource management with 'Asian' characteristics: a hybrid people-management system in East Asia. *The International Journal of Human Resource Management*, 18(5): 745-768.
- Zhu, Y., Collins, N., Webber, M., & Benson, J. 2008. New forms of ownership and human resource practices in Vietnam. *Human Resource Management*, 47(1): 157-175.
- Zhu, Y., & Verstraeten, M. 2013. Human resource management practices with Vietnamese characteristics: A study of managers' responses. *Asia Pacific Journal of Human Resources*, 51(2): 152-174.

Appendix

- Anh, T. T. L., & Swierczek, F. W. 2009. Predicting the relationships between human resource factors and the effectiveness of a change project. *Asia Pacific Management Review*, 14(1): 69-83.
- Anh, N. T. N., & Cuong, D. T. 2011. Trade and productivity growth: evidence from Vietnam's manufacturing sector at provincial level. *Chinese Business Review*, 10(2): 90-101.
- Baughn, C. C., Neupert, K. E., Anh, P. T. T., & Hang, N. T. M. 2011. Social capital and human resource management in international joint venture in Vietnam: a perspective from a transitional economy. *International Journal of Human Resource Management*, 22(5): 1017-1035.
- Berrel, M., Wright, P., & Hoa, T. T. V. 1999. The influence of culture on managerial behaviour. *Journal of Management Development*, 18(7): 578-589.
- Bodolica, V., & Waxin, M. 2007. Motivating Vietnamese employees and managers in an American joint-venture: what a challenge. *Asian Case Research Journal*, 11(1): 59-77.
- Boh, W.F., Nguyen, T.T., & Xu, Y. 2012. Knowledge transfer across dissimilar cultures. *Journal of Knowledge Management*, 17(1): 29-46.
- Caldwell, C., Truong, D., Link, P. T., & Tuan, A. 2011. Strategic human resource management as ethical stewardship. *Journal of Business Ethics*, 98(1): 171-182.
- Cheng, H. L., & Lin, C. Y. Y. 2009. Do as the large enterprises do? Expatriate selection and overseas performance in emerging markets: the case of Taiwan SMEs. *International Business Review*, 18(1): 60-75.
- Chi, D. Q. 2013. Enhanced employee participation and the influence from below. *Asia Pacific Journal of Human Resources*, 51(2): 193-207.

- Clarke, S. 2006. The changing character of strikes in Vietnam. *Post-Communist Economies*, 18(3): 345-361.
- Clarke, S., Lee, C. H., & Chi, D. Q. 2007. From rights to interests: the challenge of industrial relations in Vietnam. *Journal of Industrial Relations*, 49(4): 545-568.
- Clarke, S., & Pringle, T. 2009. Can party-led trade unions represent their members? *Post-Communist Economies*, 21(1): 85-101.
- Collins, N. 2011. Vietnam's labour relations and the global financial crisis. *Research & Practice in Human Resource Management*, 19(2): 1-12.
- Deshpande, R., Farley, J. U., & Bowman, D. 2004. Tigers, dragons, and others: Profiling high performance in Asian firms. *Journal of International Marketing*, 12(3): 5-29.
- Dollar, D. 1994. Macroeconomic management and the transition to the market in Vietnam. *Journal of Economic Literature*, 18(3): 357-375.
- Dong, G., Liem, C. G., & Grossman, M. 2010. Knowledge-sharing intention in Vietnamese organizations. *The Journal of Information and Knowledge Management Systems*, 40(3-4): 262-276.
- Fincher, R. D. 2011. Workplace dispute resolution in Vietnam: perspectives on a developing nation. *Dispute Resolution Journal*, 66(2): 11-15.
- Froese, F. J., Vo, A., & Garrett, T. C. 2010. Organizational attractiveness of foreign-based companies: a country of origin perspective. *International Journal of Selection and Assessment*, 18(3): 271-281.
- Glewwe, P., & Jacoby, H. G. 2004. Economic growth and the demand for education: is there a wealth effect? *Journal of Development Economics*, 74(1): 33-51.
- Hoang, D. T., Igel, B., & Laosirihongthong, T. 2005. The impact of total quality management on innovation: Findings from a developing country. *International Journal of Quality and Reliability Management*, 23(9): 1092-1117.

- Hsieh, W-J., Te, N. Q., Ho, D. P., Hai, D. T., Dung, T. K., Lam, N. H., Hoai, N. T., & Hong, M-C. 2004. An analysis of national competitiveness: the perspective from Vietnam. *Asia Pacific Management Review*, 9(20): 353-377.
- Jr. Curry, R. L. 1996. Economic growth and transformation: Vietnam's challenge of human resource development. *ASEAN Economic Bulletin*, 13(2): 229-240.
- Kim, S., Froese, F. J., & Cox, A. 2012. Applicant attraction to foreign companies: the case of Japanese companies in Vietnam. *Asia Pacific Journal Human Resources*, 50(4): 439-458.
- Lambert, S., Ravallion, M., & van de Walle, D. 2010. A micro-decomposition analysis of aggregate human development outcomes. *Oxford Bulletin of Economics & Statistics*, 72(2): 119-1145.
- Larsen, A. F., Rand, J., & Torm, N. 2011. Do recruitment ties affect wages? An analysis using matched employer-employee data from Vietnam. *Review of Development Economics*, 15(3): 541-555.
- Laverack, G., & Dap, D. H. 2003. Transforming information, education and communication in Vietnam. *Health Education*, 103(6): 363-369.
- Leung, S. E. 2010. Vietnam: an economic survey. *Asian-Pacific Economic Literature*, 24(2): 83-103.
- MacIntosh, M. 2013. Institutional influences on firm level HRM: some evidence from the Vietnamese garment and footwear sectors. *Asia Pacific Journal of Human Resources*, 51(2): 228-247.
- Manning, C. 2010. Globalization and labour markets in boom and crisis: The case of Vietnam. *ASEAN Economic Bulletin*, 27(1): 136 – 157.
- McDaniel, D. O., Jr. Schermerhorn, J. R., & Cuoc, H. T. 1999. Vietnam: The environment for management development in the twenty-first century. *Journal of Management Development*, 18(1): 79-93.

- Moe, T. L. 2008. An empirical investigation of relationship between official development assistance (ODA) and human and educational development. *International Journal of Social Economics*, 35(3-4): 202-221.
- Montague, A. 2013. Vocational and skill shortages in Vietnamese manufacturing and service sectors, and some plausible solutions. *Asia Pacific Journal of Human Resources*, 51(2): 208-227.
- Nam, V. H., Sonobe, T., & Otsuka, K. 2010. An inquiry into the development process of village industries: the case of a knitwear cluster in Northern Vietnam. *Journal of Development Studies*, 46(2): 312-330.
- Napier N. K. 2005. Knowledge transfer in Vietnam: starts, stop, and loops. *Journal of Managerial Psychology*, 20(7): 621-636.
- Napier, N. K., & Hoang, V. Q. 2011. Getting to the real story: what Vietnamese business people wish foreigners understood about doing business in emerging and transition countries like Vietnam – before they start. *International Journal of Human Resources Development and Management*, 11(2-3-4): 208-220.
- Neupert, K. E., Baughn, C. C., & Dao, L. T. T. 2005. International management skills for success in Asia: a needs-based determination of skills for foreign managers and local managers. *Journal of European Industrial Training*, 29(2): 165-180.
- Ngo, H-Y., Lau, C-M., & Foley, S. 2008. Strategic human resource management, firm performance, and employee relations climate in China. *Human Resource Management*, 47(1): 73-90.
- Ngoc, P. M. 2008. Sources of Vietnam's economic growth. *Progress in Development Studies*, 8(3): 209-229.
- Ngoc, P. M. 2008. The roles of capital and technological progress in Vietnam's economic growth. *Journal of Economic Studies*, 35(2): 200-219.

- Nguyen, D., Teo, S., & Mylett, T. 2013. An exploration of the roles of HR departments in Vietnam. *Journal of General Management*, 39(2): 83-113.
- Nguyen, P., Felfe, J., & Fookan, I. 2013. Antecedents of commitment to a parent company and to a local operation: empirical evidence from Western employees working for multinational companies in Vietnam. *The International Journal of Human Resource Management*, 24(7): 1346-1375.
- Oh, K. H., Nga, P. L., & Bruce, H. 2011. Intellectual capital management in transition economies. *International Journal of Human Resources Development and Management*, 11(1): 88-105.
- Onishi, J., & Bliss, R. E. 2006. In search of Asian ways of managing conflict: a comparative study of Japan, Hong Kong, Thailand and Vietnam. *International Journal of Conflict Management*, 17(3): 203-225.
- Paswan, A. K., & Trang, P. T. 2012. Vietnam and entrepreneurial private enterprises: A macromarketing perspective. *Journal of Macromarketing*, 31(1): 18-30.
- Prota, L., & Beresford, M. 2012. Emerging class relations in the Mekong River Delta of Vietnam: A network analysis. *Journal of Agrarian Change*, 12(1): 60-80.
- Pham, L. 2011. Impact of applying human resource management practices on equitized state-owned enterprises' financial performance in Vietnam. *Journal of International Business Research*, 10(2): 79-87.
- Quang, T., Swierczek, W., & Chi, D. T. K. 1998. Effective leadership in joint ventures in Vietnam: Cross-cultural perspective. *Journal of Organizational Change Management*, 11(4): 357-372.
- Quang, T., & Dung, H. K. 1998. Human resource development in state-owned enterprises in Vietnam. *Research and Practice in Human Resource Management*, 6(1): 85-103.

- Santarelli, E., & Tran, H. T. 2012. Growth of incumbent firms and entrepreneurship in Vietnam. *Growth and Change*, 43(4): 638-666.
- Santarelli, E., & Tran, H. T. 2013. The interplay of human and social capital in shaping entrepreneurial performance: the case of Vietnam. *Small Business Economics*, 40(2): 435-458.
- Shultz, C. J., 2012. Vietnam: Political economy, marketing system. *Journal of Macromarketing*, 32(1): 7-17.
- Thang, N. V. 2003. Managing change in Vietnamese state-owned enterprises: What is the best strategy? *Human Resource Management Review*, 13(3): 423-438.
- Thang, L. C., & Quang, T. 2005a. Human resource management practices in a transitional economy: a comparative study of enterprise ownership forms in Vietnam. *Asia Pacific Business Review*, 11(1): 25-47.
- Thang, N. N., & Quang, T. 2007. International briefing 18: training and development in Vietnam. *International Journal of Training & Development*, 11(2): 139-149.
- Thang, N. N., Buyens, D., & Leuven, V. 2008. Training, organizational strategy and firm performance. *The Business Review, Cambridge*, 11(2): 176-182.
- Thang, N. N., & Quang, T. 2011. The impact of training on firm performance in a transitional economy: evidence from Vietnam. *Research & Practice in Human Resource Management*, 19(1): 11-24.
- Thang, N. N., Quang, T., & Buyens, D. 2011. Training and firm performance in economies in transition: a comparison between Vietnam and China. *Asia Pacific Business Review*, 17(1): 103-119.
- Thant, M., & Than, M. 1998. Role of the State in the social sector in Southeast Asia. *ASEAN Economic Bulletin*, 16(3): 283-289.

- Tho, N. D., & Trang, N. T. M. 2011. Firm-specific marketing capital and job satisfaction of marketers: evidence from Vietnam. *Learning Organization*, 18(3): 251-263.
- Thu, H. T., Wiboonchutikula, P., & Tubtintong, B. 2010. Does foreign direct investment promote economic growth in Vietnam? *ASEAN Economic Bulletin*, 27(3): 295-311.
- Thuy, P. N., & Swierczek, F. W. 2006. Facilitators of organizational learning design. *Learning Organization*, 13(2): 186-201.
- Tran, A. N. 2007. Alternatives to the “race to the bottom” in Vietnam: Minimum wage strikes and their aftermath. *Labor Studies Journal*, 32(4): 430-451.
- Tri, C. M. 2012. Success predictor for international joint ventures in Vietnam. *International Journal of Emerging Markets*, 7(1): 72-85.
- Truong, D. X., & Quang, T. 2007. The psychological contract in employment in Vietnam: preliminary empirical evidence from an economy in transition. *Asia Pacific Business Review*, 13(1): 113-131.
- Tuan, L. T. 2011. Human resource management in knowledge transfer. *Business & Management*, 2(2): 128-138.
- Tuan, L. T. 2012a. What trust grows through upward influence? *Asia Pacific Journal of Business Administration*, 4(2): 158-181.
- Tuan, L. T. 2012b. Behind knowledge transfer. *Management Decision*, 50(3): 459-478.
- Tuan, L. T. 2012c. Clinic governance: a lever for change in Nhan Dan Gia Dinh hospital in Vietnam. *Clinical Governance: An International Journal*, 17(3): 223-247.
- Tuan, L. T. 2012d. From unbalanced to balanced: performance measures in a Vietnamese hospital. *Leadership in Health Services*, 25(4): 288-305.

- Tuan, L. T. 2013a. Corporate social responsibility, upward influence behavior, team processes and competitive intelligence. *Team Performance Management*, 19(1-2): 6-33.
- Tuan, L. T. 2013b. Leading to learning and competitive intelligence. *The Learning Organization*, 20(3): 216-239.
- Tuan, N. V., & Ngoc, N. M. 2012. Effects of human resource management on business performance of small and medium size manufacturers in Hanoi – Vietnam. *Australian Journal of Business and Management Research*, 2(6): 47-54.
- Tuang, A., & Stringer, C. 2008. Trust and commitment in Vietnam: the industrial distributor's perspective. *International Journal of Emerging Markets*, 3(4): 390-406.
- van Gramberg, B., Teicher, J., & Nguyen, T. 2013. Industrial disputes in Vietnam: the tale of the wildcat. *Asia Pacific Journal of Human Resources*, 51(2): 248-268.
- Vo, A. N. 2009. Career development for host country nationals: a case of American and Japanese multinational companies in Vietnam. *The International Journal of Human Resource Management*, 20(6): 1401-1420.
- Vo, A. N., & Rowley, C. 2010. The internationalization of industrial relations? Japanese and US multinational companies in Vietnam. *Asia Pacific Business Review*, 16(1-2): 221-238.
- Vo, A., & Hannif, Z. N. 2011. The reception of Anglo leadership styles in a transforming society: the case of American companies in Vietnam. *The International Journal of Human Resource Management*, 24(18): 3534-3551.
- Vo, A., & Hannif, Z. 2012. The transfer of training and development practices in Japanese subsidiaries in Vietnam. *Asia Pacific Journal of Human Resources*, 50(1): 75-91.

- Vo, C., & Warner, M. 2013. Whither 'training and development' in Vietnam?: Learning from United States and Japanese MNCs' practice. *Asia Pacific Journal of Human Resources*, 51(2): 175-192.
- Wang, Y-L., & Tran, E. 2012. Effects of cross-cultural and language training on expatriates' adjustment and job performance in Vietnam. *Asia Pacific Journal of Human Resources*, 50(3): 327-350.

**Paper 2 – PERCEIVED FORMAL AUTHORITY AND THE EFFECTIVENESS
OF THE HR DEPARTMENT IN VIETNAM**

This refereed conference paper (blind review) was presented at the British Academy of Management conference, 6–8 September 2016, Newcastle upon Tyne, United Kingdom.

CHAPTER 5/ PAPER 2

PERCEIVED FORMAL AUTHORITY AND THE EFFECTIVENESS OF THE HR DEPARTMENT IN VIETNAM

Abstract SHRM studies have argued for the examination of the determinants of line managers' perceptions toward the effectiveness of the Human Resource (HR) department. The formal authority of the HR department indicates the importance of the HR department in conducting activities that shape the perceptions of its effectiveness, yet empirical evidence of this means-ends relationship has been scant. Thus, the main aim of the present study is to investigate if the perceived formal authority of the HR department has any effect on how line managers perceive the performance of this department. Two samples were collected in Vietnam to test the hypothesized model. Vietnam was chosen as Vietnamese organizations have a high level of formal authority. Sample 1 comprised 405 line managers who evaluated the effectiveness of their organization's HR department. A second sample comprising 155 line managers was used to validate the findings from the first sample. Overall, the research showed that line managers' perception of the HR department's formal authority had a direct and positive impact on the effectiveness of HR department. Perceptions of formal authority also had an indirect effect on how public sector line managers evaluated the effectiveness of the HR department in terms of the department's strategic involvement and influence. Mediation analysis showed that strategic involvement was a full mediation of the relationship between formal authority and HR department effectiveness. Public sector line managers tended to perceive their HR departments as possessing a higher level of formal authority than did their private sector counterparts.

Key words: formal authority, HR department, public sector, private sector, Vietnam

Introduction

The rise of the resource-based view has resulted in the positive perception of the HR department's centrality and importance in an organization (Barney & Wright, 1998; Ulrich, 1997; Wright & McMahan, 1992). That is, since human resources are an important source of an organization's sustained competitive advantage, human resource management (HRM) has shifted from an administrative focus to being integrated into an organization's business strategy (Ulrich & Dulebohn, 2015; Walker, 1992). Through this integration, the HR department is considered a vital part of the organization through the creation of perceptions toward its effectiveness among other constituents (Golden & Ramanujam, 1985; Teo & Rodwell, 2007; Truss *et al.*, 2002; Wright *et al.*, 1998). It is argued that neglecting to examine the HR department's influence from a political perspective impedes our understanding of how the HR department can be effective when politics is an organizational reality and cannot be overlooked (Ferris *et al.*, 1995). One fruitful way of examining the effectiveness of the HR department using a political perspective is to utilize the institutional and contingent approaches because these perspectives address the organizational context, such as regulations, management structure, and authority distribution, that influences the relationship between individuals and departments in organizations (Dobbin & Sutton, 1998; Galang *et al.*, 1999; Kelly & Dobbin, 1998).

Prior studies have argued that an organization's contextual conditions provide opportunities or constraints on the HR department when showing its effectiveness among key stakeholders (Ferris *et al.*, 1995; Procter & Currie, 1999; Russ, Galang, & Ferris, 1998). For instance, it has been argued that the HR department is not the only interest group concerned with HRM benefits in an organization (Ferris *et al.*, 1995; Russ *et al.*, 1998). Thus, the support from chief executive officers (CEOs) for HRM enables the HR department to conduct a wider scope of HRM activities, ensuring other

stakeholders in the organization realize the contribution of the HR department to organizational performance (Kelly & Gennard, 2001, 2007; Sheehan *et al.*, 2007). When the HR department complies with organizational norms and culture, and satisfies expectations of different interest groups, formal authority and access to scarce organizational resources are important for the HR department to gain the recognition of its important function (Ferris *et al.*, 1995; Ferris *et al.*, 2007; Galang & Ferris, 1997). Formal authority allows the HR department to legitimately perform a variety of activities within an organization (Ferris *et al.*, 1995; Ferris *et al.*, 2007; Galang & Ferris, 1997). Although empirical studies exist that examine the HR department's ability to show the value it adds to the organization (Galang & Ferris, 1997; Reichel & Lazarova, 2013; Sheehan *et al.*, 2007), the examination of the HR department's effectiveness taken from an institutional perspective does not answer the question relating to perceptions of formal authority. Given organizational contingencies and institutional theory, our study responds to this question by examining the influence of formal authority on the HR department's effectiveness (Bowen & Ostroff, 2004; Ferris *et al.*, 2007; Galang & Ferris, 1997; Stiles & Trevor, 2006).

Vietnam is a country that is at the crossroads of modernization. Vietnamese organizations combine aspects of modern managerial practices with aspects of practices influenced by Confucianism (Nguyen *et al.*, 2013; Thang *et al.*, 2007). The integration of Western and Vietnamese management philosophies has motivated previous studies to examine both the adoption of HR practices and organizational performance (Thang & Quang, 2005b; Vo & Bartram, 2012; Zhu *et al.*, 2008); however, these studies have overlooked the effectiveness of the HR department in terms of the HRM-performance link. Previous studies have also neglected to understand how an organization's contextual conditions affect the effectiveness of the HR department's contribution to the organizational performance. Vietnamese organizations tend to have a tall hierarchical

structure and employees respect legitimate authority (Napier, 2005; Painter, 2003); that is, employees respect the formal authority of managerial positions within Vietnamese organizations (Thang *et al.*, 2007). This characteristic is consistent with the literature on the power and influence of the HR department. Therefore, the present study will add to the literature by studying the effect of the formal authority of the HR department as perceived by line managers in the evaluation of the HR department's effectiveness in Vietnamese organizations.

Literature Review

It has been argued that the power of a subunit is demonstrated by its ability to acquire organizational resources and to hold a critical and influential role in making decisions and contributing to organizational success (Hickson, Hinings, Lee, *et al.*, 1971; Hinings, Hickson, Pennings, & Schneck, 1974). The same argument can be applied when examining the power of the HR department as a subunit within an organization. Due to the demands of business competition, the HR department must demonstrate that it can contribute to organizational performance (Golden & Ramanujam, 1985; Stiles & Trevor, 2006; Ulrich, 1997). Therefore, an increasing number of empirical studies have argued the HR department must shift away from focusing on being an administrative expert to being a strategic partner to the line management (e.g., Ulrich, 1997).

Others have argued that the HR department's effectiveness can be understood by using different perspectives. For instance, the HR department develops power and influence when the department receives support from top managers or CEOs because these key stakeholders can shape a common understanding of the importance of the HR department (Enz, 1988; Ferris *et al.*, 1995; Sheehan *et al.*, 2007). Other studies have shown that the HR department's power and influence come from the competencies of HR practitioners in helping senior managers to handle environmental contingencies and uncertainties (Ferris & Judge, 1991; Sheehan *et al.*, 2014). Others, such as Galang and

Ferris (1997), have provided an understanding of the power and influence of the HR department by using the political perspective. Galang and Ferris (1997) concluded that power and influence of the HR department is conceptualized as the department's tasks, functions and connections with the activities of other departments.

Galang and Ferris's (1997) concept can be seen as one of the most appropriate frameworks showing the power of the HR department, and can be ascertained by the HR department's ability to be involved in and influence the strategic decision-making process (Ferris *et al.*, 2007; Reichel & Lazarova, 2013; Welbourne & Cyr, 1999; Wright *et al.*, 1998). Other empirical studies have adopted Galang and Ferris's (1997) framework and investigated the effects of the strategic involvement and influence of the HR department in the strategic management process (e.g., Sheehan *et al.*, 2007; Teo & Rodwell, 2007; Wright *et al.*, 1998). It has been argued that the HR department's strategic involvement allows it to interact with other divisions, add HRM to business strategy, increase its influence in making decisions, and make stakeholders admit the effectiveness of the HR department (Teo & Rodwell, 2007; Sheehan *et al.*, 2007; Wright *et al.*, 1998). However, the strategic involvement and influence of the HR department depends on the relationships between the HR department and other stakeholders (Bowen & Ostroff, 2004; Galang & Ferris, 1997; Kelly & Gennard, 2007; Sheehan *et al.*, 2007).

One of the key factors in determining the strategic involvement and influence of the HR department is the HR department's formal authority (Ferris & Judge, 1991; Galang & Ferris, 1997; Legge, 1978). Research on formal authority and a subunit's influence has argued that the absence of formal authority may limit the political influence of a particular subunit on others because there is no differentiation between departments (Hickson *et al.*, 1971; Pfeffer, 2009; Salancik & Pfeffer, 1977). By contrast, having formal authority is likely to result in a status difference based on the

organizational hierarchy, greater social distance and independence with other departments (Hickson *et al.*, 1971; Hinings *et al.*, 1974). In addition, the formal authority of a subunit allows it to play an influential role in helping the organization to handle environmental changes as other departments rely on its expertise to provide solutions (Hickson *et al.*, 1971; Pfeffer, 2009; Russ *et al.*, 1998).

Subunits have diverse expectations and interests and they compete for political influence in the decision-making process; the HR department is not an exception (Legge, 1978; Novicevic & Harvey, 2001). Formal authority is one of the institutionalized elements of an organization that can create the HR department's credibility within its organization (Galang *et al.*, 1999; Paauwe & Boselie, 2005; Roehling *et al.*, 2005). The formal authority of the HR department indicates the acceptance of its legitimate position among other departments (Ferris & Judge, 1991; Kelly & Gennard, 2007; Russ *et al.*, 1998). The possession of formal authority enables the HR department's involvement in the strategic management process and adds value to the organization (Ferris *et al.*, 2007; Kelly & Gennard, 2007; Sheehan *et al.*, 2007). The establishment of formal authority in the HR department favors the influence of the department due to its expert views on HRM and its autonomy in making HR-related decisions (Buyens & De Vos, 2001; Hickson *et al.*, 1971; Pfeffer, 2009; Salancik & Pfeffer, 1977).

Bowen and Ostroff (2004) argued that the HR department should have formal authority in order to be distinctive and more effective. The formal authority of the HR department allows it to create a shared understanding among its stakeholders of its effectiveness in performing HRM activities (Bowen & Ostroff, 2004; Galang & Ferris, 1997; Legge, 1978). Therefore, the present study proposes that formal authority is necessary for the HR department to consolidate its status difference, acquire organizational resources, and perform a wider scope of activities and programs. In

addition, formal authority may be a determinant of how stakeholders in an organization perceive the effectiveness of the HR department when the HR department is involved in the decision-making process. The current study, therefore, hypothesizes that:

Hypothesis 1: Formal authority is positively associated with the strategic involvement of the HR department.

Hypothesis 2: Formal authority is positively associated with the influence of the HR department.

Hypothesis 3: Formal authority is positively associated with the effectiveness of the HR department.

The HR department's strategic involvement reflects the involvement of the HR executive throughout strategic formulation and decision-making processes (Golden & Ramanujam, 1985; Kelly & Gennard, 2007). While participating in the strategic management process, senior HR executives have opportunities to offer their knowledge of HRM and to integrate HRM into business strategy. This involvement can convince other senior managers to recognize the contribution of HRM when people management policies are aligned with effective strategy delivery (Caldwell, 2011; Sheehan *et al.*, 2007; Wright & Snell, 2005). The involvement of a senior HR executive in the boardroom also results in the recognition of the importance and strategic function of the HR department by line managers (Buyens & De Vos, 2001; Teo & Rodwell, 2007). In addition, when the HR department participates in the strategic management process, its increased political influence means the department can make significant contributions to the value-formation process of an organization (Golden & Ramanujam, 1985; Galang & Ferris, 1997; Uen *et al.*, 2012). This notion is well-matched with a need to develop an awareness of the critical role of the HR department in Vietnam, as suggested by Quang and Thang (2004) and Quang *et al.* (2008).

In recent years, the HR department in Vietnam has been urged to perform an active role in the strategic planning process while dealing with people-related issues in the organization (Bartram *et al.*, 2009; Quang & Thang, 2004). This strategic involvement enables the HR department to cultivate an awareness among senior executives that human capital is one of the most critical ingredients leading to better organizational performance (Thang & Quang, 2005b; Quang *et al.*, 2008; Vo & Bartram, 2012). The involvement and influence of the HR department in the strategic management process are, therefore, perceived to be the means by which the HR department can show its effectiveness among line managers (Nguyen *et al.*, 2013). The current study hypothesizes that:

Hypothesis 4: Strategic involvement is positively associated with the influence of the HR department.

Hypothesis 5: Strategic involvement is positively associated with the effectiveness of the HR department.

Hypothesis 6: The influence of the HR department is positively associated with the effectiveness of the HR department.

Institutional theorists address the fact that the adoption of HRM by different ownership types is dissimilar (Gooderham *et al.*, 1999; Kostova & Roth, 2002; Meyer & Rowan, 1977). For instance, organizations with a lot of experience in a market economy often adopt sophisticated and advanced management practices, but organizations that had previously operated in a centrally planned economy often do not (Weinstein & Obloj, 2002). In Vietnam, empirical studies have also identified a divergence in HRM adoption among organizations due to contextual factors such as sectorial differences (Bartram *et al.*, 2009; Thang & Quang, 2005b; Zhu *et al.*, 2008; Zhu & Verstraeten, 2013); for example, private sector organizations have rapidly combined some specific dimensions of personnel management and HRM models while

organizations in the public sector have placed less emphasis on HR practices (Zhu *et al.*, 2008; Zhu & Verstraeten, 2013). Compared with the private sector, the public sector HR department in Vietnam tends to exhibit more features of an administrative HR role (Nguyen *et al.*, 2013). Therefore, this study hypothesizes that:

Hypothesis 7: There are differences in line managers' perceptions of the HR department's effectiveness between public and private sector organizations.

In summary, the present study expects that the HR department in a setting with a highly formal authority has a better opportunity to be more involved in the strategic management process and increase its influence among stakeholders. Consequently, line managers will then perceive the effectiveness of the HR department. The interrelationships between the first six hypotheses are presented in Figure 1.

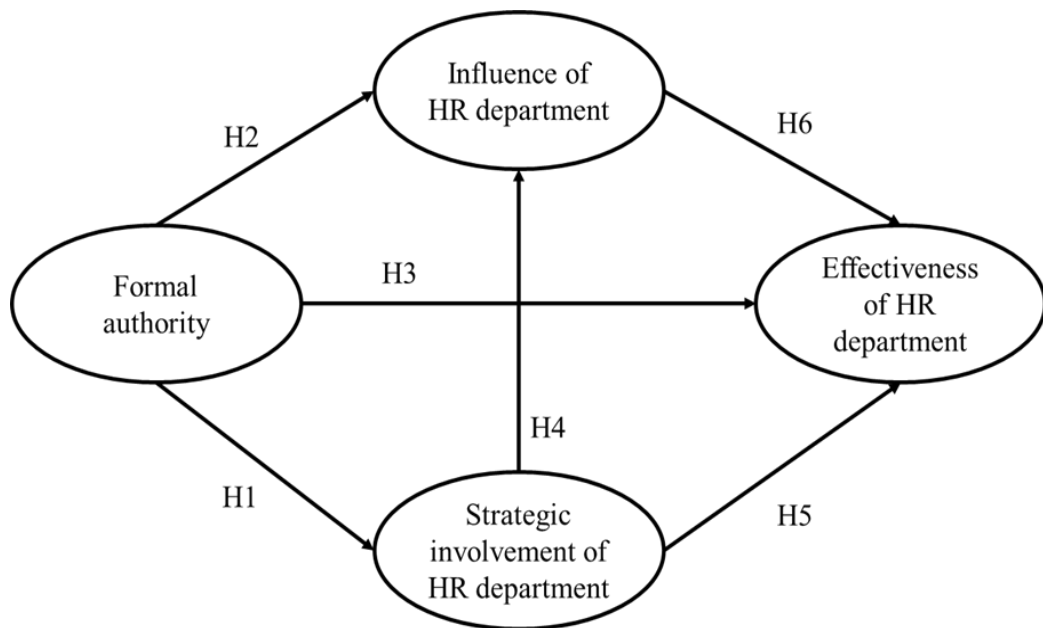


Figure 1. Proposed model of the study

Methodology

Data collection

The current study investigates line managers' perceptions of the power and influence of the HR department in Vietnam. Line managers are a good source of accurate information related to the performance of the HR department (Tsui, 1990; Wright *et al.*, 2001). They are important partners of the HR department in organizations as they work closely with the department at both the operational and strategic levels. Specifically, line managers are representative of key constituents experiencing daily HR practices (Sikora & Ferris, 2014; Tsui, 1990). Line managers are also responsible for interpreting and delivering HR practices to employees (Guest & Conway, 2011; Teo & Rodwell, 2007). Thus, their experience of HRM can affect employees' perceptions and satisfaction with HRM implementation and the HR department's effectiveness in an organization (Ferris *et al.*, 2007; Ulrich, 1997). In the strategic management process, the HR department works with line managers to develop appropriate policies and practices that match organizational strategy and improve employee competencies for the enhancement of organizational performance (Caldwell, 2011; Sheehan *et al.* 2007). Thus, line managers are one of the key stakeholders in an organization who can provide evaluations of HR department effectiveness.

The study considered power and effect size, as these two components are important for good research design (Cohen, 1988). We first estimated the minimum number of respondents required. The present study followed Cohen's (1988) approach to calculate G* power analysis with small effect size ($f^2=0.15$) and $r^2=0.5$. These two indices are the minimum estimated squared multiple correlations required to ensure statistically significant results (Cohen, 1988). The calculation of G* power analysis of a three-predictor model showed that this study had to collect at least 119 respondents (Cohen, 1988; Faul *et al.*, 2009).

A participation recruitment advertisement was posted on the noticeboards at two business schools in Ho Chi Minh City, Vietnam. Fifteen hundred participants agreed to take part in the survey. The researcher excluded individuals who were non-managerial employees from this survey. Altogether 652 completed questionnaires were collected from part-time postgraduate students and alumni in these two business schools (response rate of 43.46%). The response rate was calculated based on the formula suggested by the American Association for Public Opinion Research (AAPOR). As the present study aimed to survey perceptions of line managers toward their HR departments, we excluded those who worked in organizations that did not have an HR department. The final sample size was 405 usable questionnaires (response rate, 27%) that met this criterion. Power analysis suggested that this sample size had sufficient power and effect size to yield significantly accuracy and flexibility of predictions with three predictors.

The majority of the respondents had more than three years' experience in their jobs (55.3%) and in their current organizations (61.3%). Nearly two-thirds (63.2%) were working in the service industry, and slightly more than one quarter (26.9%) in the manufacturing industry. Approximately two-thirds (69.7%) were working in the private sector, with the remainder (30.3%) working in the public sector. Just over two-fifths (41.98%) were working in large organizations with more 500 employees, while the rest (58.02%) were working for medium-sized organizations (50–499 employees). Previously validated scales were used in this study. IBM *SPSS ver22* was used to produce descriptive statistics and correlations and to run exploratory factor analysis, and IBM *AMOS ver22* was used to test the validity of the measurement model of scales and the developed hypotheses.

A second sample was collected to validate and generalize the findings from the first sample. An online link to the questionnaire was sent via email to the membership

officer of two other sources: the Youth Business People Association and the Da Nang Association of Small and Medium Enterprises. This strategy resulted in another sample, this time of 155 line managers. The majority of the respondents (66.5%) in this second sample were from the private sector (54.8% from service industries such as banking and education, and 45.2% from manufacturing industries). Like the first sample, the majority of the respondents had more than three years' experience in their jobs (85.8%) and in their current organizations (87.7%). Nearly one-third (29.7%) were working in large organizations with more 500 employees, nearly one-half (45.7%) in medium-sized organizations (50–499 employees), and the rest (24.6%) were working in small organizations (fewer than 50 employees) (Thang & Bryant, 2004). Due to the small sample size, IBM *SPSS ver22* was used to validate the model found in this study.

Measures

The current study followed Brislin's (1970) approach of back translation to ensure the accuracy of the interpretation. Researchers sought the assistance of two doctorate-qualified academics from Vietnam to translate the questionnaire from English into Vietnamese and then back again into English. To ensure the equivalence of translation, two other experienced HRM scholars who were not involved in this research translated and compared the translations. This process was repeated until all errors of interpretation were eliminated and the questionnaire appeared reasonable and acceptable.

Prior to conducting the main study using a questionnaire, semi-structured interviews were conducted with eight line managers to explore the key issues and concerns regarding perceptions of the formal authority of the HR department as a determinant of HR department effectiveness. This stage helped the research team to understand how to operationalize the concept of formal authority in the study. The eight line managers came from eight different public and private sector organizations and

represented a variety of industries such as shipping, manufacturing, construction consultancy, and software development. The participants were asked about how they experienced the formal authority of the HR department in their organization, particularly in terms of the department's strategic involvement, influence and effectiveness. The first author conducted the interviews in Vietnam and took extensive notes to corroborate the conversations' examples and comments. Tape recordings were used with the permission of interviewees. The study employed a thematic analysis approach to analyze the interview data (Braun & Clarke, 2006).

According to the interviewed public sector line managers, the formal authority of the HR department is related to its formal position in the organization, and its autonomy and independence in making HR-related decisions. These are formalized by the organization's hierarchical structure, rules and regulations. The formal authority of the HR department also suggests the location of the department is close to top management, which allows the HR department not to have to consult line managers about HRM activities in public sector organizations. Public sector line managers affirmed that the HR department's formal authority allows it to perform many activities with the agreement of top management. The interview data also highlighted the relationship between the formal authority of the HR department and its strategic involvement and influence within the organization.

The quotes below illustrate the meaning and the importance of the formal authority of the HR department in Vietnam's public sector organizations.

“In my organization, the formal authority assigned to the HR department is related to the independence level of the HR department. The HR department works very closely with the CEO. The HR department can make decisions without asking for our opinions.” (PL-LM01)

“In such organizations, the HR department's power and authority is formalized in the organization's rules and regulations. The HR department is involved in a lot of activities. Yet the strategic involvement of the HR department comes from its regimented managerial position. Thus, we primarily base on its involvement to evaluate how effective it is because it

is supposed to contribute ideas and provide consultancy to us through the strategic involvement.” (PL-LM03)

“The formal authority allows the HR department to become involved and make decision within its formal authority.” (PL-LM02)

Private sector line managers in the interviews confirmed the influence of the organizational management system on the interactions between departments. They also revealed another perspective on the HR department’s formal authority in their organizations: they explained that the management structure of private sector organizations is less hierarchical and less bureaucratic, and so the HR department in private sector organizations tends not to have formalized authority. Instead, the private sector HR department works with the line management in strategic decision making. The participants confirmed that the strategic involvement of the HR department reflects the collaboration of the HR department with line managers as a means to increasing its influence.

“It’s easy to see that organizational structure regularize the way a department interacts with other departments. Some organizations have a culture emphasizing principles, rules and regulations. Thus, the interactions between departments are based on such values.” (PV-LM08)

“I am responsible for training and coaching programs consistent with the specific positions and levels of sales supervisors and sales representatives. The HR department works to develop communication with employees about HR policies. I have to collaborate with the HR department to solve some HR problems.” (PV-LM01)

“Organizational decisions are made by the CEO, functional decisions are made by the line manager, and so on. In terms of a decision, we need to identify initiatives leading to a decision. Initiatives may be related to production, sales, marketing, finance or HR; thus, it’s difficult to identify which one is the most important factor or which department is the most powerful in this organization.” (PV-LM02)

These interview findings echo Galang *et al.*’s (1999) and Ferris *et al.*’s (2007) arguments that formal authority is an institutionalized element of the organization that can affect perceptions of the HR department’s status and line managers’ evaluation of the HR department’s effectiveness. The qualitative data collected from the interviews

provided valuable information for checking the applicability of the online-survey measures.

In order to determine if the questionnaire items were relevant and understandable to non-academic professionals in the Vietnamese context, the line managers were also asked to provide comments on the translated questionnaire during their interviews. A pilot test of the translated survey was then conducted with 50 non-HR managers who were also asked to evaluate the clarity of the translation. After the pilot test, some items were reworded, refined or changed to be more understandable and representative of the intended constructs. These steps ensured the face and content validity of the scales.

Perceived formal authority. Due to the absence of validated scales measuring the formal authority of the HR department, the present study adapted a six-item measure of power distance from Dorfman and Howell (1988). Power distance was used to operationalize the extent of the HR department's formal authority as shown by its independence and influence on making decisions (see Dorfman and Howell, 1988; Farh *et al.*, 2007). These items were similar to the characteristics of formal authority as reported by the eight line managers in the qualitative (interview) phase of the study. The items were rated on a five-point Likert scale, ranging from "1" = strongly disagree to "5" = strongly agree. The items were statements such as "The HR department should make most HR-related decisions without consulting line managers". In Sample 1, this scale had a composite reliability coefficient of 0.79; in Sample 2, it was 0.88.

Strategic involvement of the HR department. A seven-item scale from Wright *et al.* (1998) was used to measure the strategic involvement of the HR department. The respondents were asked to indicate their responses on a five-point Likert scale, from "1" = the HR department is extremely uninvolved to "5" = the HR department is extremely involved. The items were statements such as "The HR department meets with the

organization manager to discuss HR issues". In Sample 1, this scale had a composite reliability coefficient of 0.92; in Sample 2, it was 0.92.

Influence of the HR department. This study used four items from Bowen, Galang, and Pillai (2002) to measure the level of influence of the HR department. Respondents were asked to indicate their views on the HR department's influence on a five-point Likert scale from "1" = strongly disagree to "5" = strongly agree. The items were statements such as "The HR department is viewed as an important department in my organization". Sample 1 showed that this scale had a composite reliability coefficient of 0.87; in Sample 2, this scale had a coefficient alpha = 0.91.

Effectiveness of the HR department. Following prior studies in this area (e.g., Galang & Ferris, 1997; Teo & Rodwell, 2007; Wright *et al.*, 1998), we used six items to measure the effectiveness of the HR department. The items were statements such as "The HR department meets your expectations in its HRM roles and responsibilities". Once again, the respondents were asked to indicate their evaluation of their HR department's performance on a five-point Likert scale, from "1" = extremely ineffective to "5" = extremely effective. In Sample 1, the scale had a composite reliability coefficient of .89. In Sample 2, the coefficient alpha was 0.91.

Control variables. Line managers from a diverse range of organizational types and different industries were surveyed in an effect to minimize any bias in the study's findings (Becker & Gerhart, 1996; Harel & Tzafrir, 1999). The line managers who participated in the research worked in state- and privately owned organizations, manufacturing and service sectors, and in firms with few and many employees. This broad coverage was deliberate because ownership type, sector and firm size have all been previously shown to have an influence on the adoption of HRM in Vietnamese organizations (Nguyen *et al.*, 2013; Zhu *et al.*, 2008).

Common method variance

Two tests were used to check for common method variance. Harman's one-factor test calculated four factors with eigenvalues of greater than 1.0; these four factors accounted for 71.16% of the variance in the exogenous and endogenous constructs. The present study also utilized a "marker variable" to check for common method bias (see Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Following Rafferty and Griffin (2004), "Bureaucracy" was used as the marker variable. The items under this variable were statements such as "My work involves a great deal of paperwork and administration". Method effects were represented by factor loadings from the marker variable to the indicators of the substantive constructs. The test showed that the difference of correlations of all constructs between, before and after including the marker variable was 0.06. This result indicated that the correlations of exogenous constructs with the endogenous variable could not be accounted for by the marker variable (Lindell & Whitney, 2001; Malhotra *et al.*, 2006).

Model estimation and data analysis

The present study followed Anderson and Gerbing's (1988) two-step approach to check measurement model reliability and validity, and to test the hypothesized structural model. In step one, confirmatory factor analyses (CFA) were undertaken using *AMOS ver22* to establish the measurement properties of the items assessed in Sample 1 (Byrne, 2009). Analysis of the hypothesized four-factor measurement model provided showed a good fit to the data ($\chi^2/df = 1.673$, RMSEA = 0.04, CFI = 0.98, TLI = 0.98, SRMR = 0.03), as suggested by the minimum cut-off (Byrne, 2009). The study also compared the hypothesized four-factor model with two alternative models by using a chi-square difference test. As illustrated in Table 1, the four-factor model fitted the data much better than the alternative models. We concluded that the measures in the proposed model were sufficiently discriminant.

Table 1. Model fit indices

CFA Models	χ^2	df	χ^2/df	p	CFI	TLI	RMSEA	SRMR	Chi-square difference test
Model 1 Four-factor model (Preferred model)	204.09	122	1.67	< 0.001	0.98	0.98	0.04	0.03	—
Model 2 Three-factor model	505.50	125	4.04	< 0.001	0.91	0.89	0.09	0.07	$\Delta \chi^2(3) = 301.41$ $p < 0.001$
Model 3 Single-factor model	1306.22	128	10.21	< 0.001	0.73	0.68	0.15	0.12	$\Delta \chi^2(6) = 1102.13$ $p < 0.001$

Notes: N1 = 405

Model 1 consists of formal authority, strategic involvement, influence, and HR department effectiveness.

Model 2 consists of formal authority, HR department status (strategic involvement and influence) and HR department effectiveness.

Model 3 is a single-factor model in which all items were loaded onto one factor.

Based on the CFA test for the measurement model, the square root of the average variance extracted (AVE) for each construct was much larger than its correlation with any other construct (Fornell & Larcker, 1981; Venaik *et al.*, 2005) (see Table 3). Therefore, the present study concluded that discriminant validity of the four factors was established. In step 2, the present study used parameter estimates in step 1 to create composite measures to run the full model.

Findings

Descriptive statistics and correlations for both studies are reported in Table 2. Mean scores, standard deviation values and average variance estimates of each variable in Sample 2 are reported in brackets. The mean scores of this scale indicated that in general the HR department in Vietnam has slight authority with line managers. The mean score of formal authority in the public sector was higher than the private sector's (Mean_{public1} = 2.58, Mean_{public2} = 2.97 and Mean_{private1} = 2.34, Mean_{private2} = 2.72).

Sample One

In accordance with the first data set (N1 = 405), *SPSS ver22* and *AMOS ver22* were used to test the proposed hypotheses. The path analysis procedure included control variables. Findings showed that firm size is associated with the influence of the HR department ($\beta = 11, p < 0.05$) while ownership types were related to the HR department's effectiveness ($\beta = 11, p < 0.01$). The model had a good fit ($\chi^2/df = 1.62$, CFI = 0.98, TLI = 0.97, RMSEA = 0.04, SRMR = 0.04) and these positive fit indices satisfied the guidelines for a good fit (Byrne, 2009). The path analysis showed that most of the hypotheses were supported, with the exception of hypotheses 2 and 3 (see Figure 2).

Table 2. Descriptive statistics and correlations of latent constructs

	Mean	SD	AVE	Formal authority	Strategic involvement	Influence	Effectiveness of HR department
Formal authority	2.42 (3.08)	0.86 (1.02)	0.61 (0.61)	<u>0.78</u> <u>(0.78)</u>	0.20*	0.20*	0.35***
Strategic involvement	3.36 (3.98)	0.89 (0.73)	0.73 (0.66)	0.15**	<u>0.85</u> <u>(0.81)</u>	0.73***	0.70***
Influence	3.50 (3.96)	0.92 (0.83)	0.80 (0.72)	0.06	0.55***	<u>0.89</u> <u>(0.85)</u>	0.68***
Effectiveness of HR department	3.00 (3.85)	0.84 (0.84)	0.70 (0.68)	0.12*	0.57***	0.60***	<u>0.84</u> <u>(0.82)</u>

Notes: N1 = 405; N2 = 155; SD = Standard Deviation; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

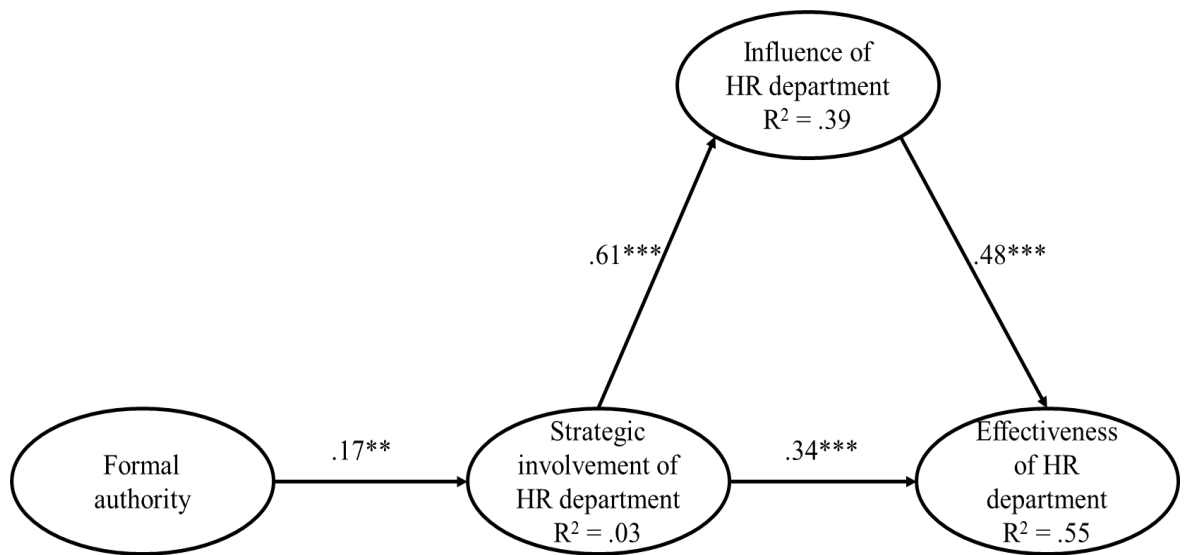
AVE = average variance extracted

Bold italic underlined values are the square root of AVEs.

Numbers in brackets are calculated in Sample 2.

Correlation coefficients between variables in Sample 1 are reported on the lower left diagonal.

Correlation coefficients between variables in Sample 2 are reported on the upper right diagonal.



CMIN/DF=1.62, CFI=.98, TLI=.97, RMSEA=.04, SRMR=.04

Figure 2. Results of path analysis

Notes: N1 = 405; ** $p < 0.01$, *** $p < 0.001$.

Control variables were included in testing hypotheses.

The present study also tested the mediation effects of the strategic involvement and influence of the HR department. The tests showed that strategic involvement fully mediated the relationship between formal authority and the influence of HR department ($\beta = 0.11$, [CI: 0.042, 0.175], $p < 0.05$). Strategic involvement was also found to be a full mediator in the relationship between formal authority and the HR department's effectiveness ($\beta = 0.06$, [CI: 0.044, 0.182], $p < 0.05$). Additionally, the influence of the HR department was found to partially mediate the association between strategic involvement and the HR department's effectiveness ($\beta = 0.29$, [CI: 0.227, 0.377], $p < 0.01$).

The study conducted multiple group analyses to determine if there was any difference in perceptions between line managers working in public versus private sector organizations (see Table 3). The results showed that the impact of formal authority on the strategic involvement of the HR department in public sector organizations was

significantly higher than in privately owned organizations ($z = -1.663, p < 0.1$). Additionally, the relationship between the influence and effectiveness of the HR department in state-owned organizations was lower than in private sector organizations ($z = 2.224, p < 0.05$). Therefore, hypothesis 7 was supported.

Table 3. Results of multi-group analysis

	Public sector		Private sector		z-score
	Estimate	<i>p</i>	Estimate	<i>p</i>	
Formal authority → Strategic involvement	0.302	0.000	0.091	0.298	-1.663*
Strategic involvement → Influence	0.682	0.000	0.677	0.000	-0.033
Influence → Effectiveness of HR department	0.275	0.002	0.526	0.000	2.224**
Strategic involvement → Effectiveness of HR department	0.498	0.000	0.269	0.000	-1.608

Note: N1 = 405, * $p < 0.1$, ** $p < 0.05$

Public sector line managers reported the influenced of the HR department's formal authority on perceptions of its strategic involvement. This study conducted a test for the mediation effects of the strategic involvement of the public sector HR department by using PROCESS macro with model 6 (Hayes, 2013). A 95% confidence interval based on 10,000 bootstrap samples did not include zero, indicating that the strategic involvement fully mediated the relationships of formal authority and the influence and effectiveness of the HR department in the public sector (see Table 4).

Table 4. Results of mediation effects of strategic involvement in public sector organizations

Variables	Consequent								
	Strategic involvement			HR department Influence			HR department effectiveness		
	<i>Coefficient</i>	<i>SE</i>	<i>95% CI</i>	<i>Coefficient</i>	<i>SE</i>	<i>95% CI</i>	<i>Coefficient</i>	<i>SE</i>	<i>95% CI</i>
Formal authority	0.29***	0.084	0.124, 0.454	0.06	0.080	-0.100, 0.216	0.01	0.070	-0.126, 0.150
Strategic involvement	-	-	-	0.52***	0.083	0.354, 0.681	0.43***	0.083	0.264, 0.592
HR department Influence	-	-	-	-	-	-	0.27***	0.079	0.115, 0.429
Constant	2.606***	.230	2.152, 3.061	1.648***	.300	1.053, 2.242	0.44	0.293	-0.136, 1.024
	$R^2 = 0.09$			$R^2 = 0.28$			$R^2 = .41$		
	$F_{(1, 122)} = 12.01, p < 0.001$			$F_{(2, 121)} = 23.30, p < 0.001$			$F_{(3, 120)} = 27.51, p < .001$		
<i>Bootstrap indirect effect on HR department effectiveness</i>									
						<i>Effect (Boot SE)</i>	<i>BootLL 95% CI</i>	<i>BootUL 95% CI</i>	
Formal authority → Strategic involvement → HR department Influence						0.150 (.061)	0.049	0.290	
Formal authority → Strategic involvement → HR department effectiveness						0.124 (.048)	0.046	0.236	
Formal authority → Strategic involvement → Influence → HR department effectiveness						0.041 (.024)	0.010	0.104	

Notes: The tests were conducted with the sample of public sector.

SE: standard error; LL = lower limit; CI = confidence interval; UL = upper limit; Unstandardized regression coefficients are reported

Bootstrap standard errors in parentheses. Bootstrap sample size = 10,000. *** $p < 0.001$

Sample Two

The same set of variables used for Sample 1 were used for Sample 2 (N=155). Data analyses were undertaken using Multiple linear regression in PROCESS macro for SPSS version 22 (Hayes, 2013). We followed Hayes (2013, model 6) to test the relationships between variables and mediating effect of strategic involvement and the influence of the HR department in accordance with the proposed model in Sample 1. We controlled for firm size and ownership types when using PROCESS macro.

The results including the values of R^2 are reported in Table 5 (see Table 5). The results show that formal authority had a direct, positive and significant association with strategic involvement ($\beta = .14, t = 2.41, p < .05$). Firm size and ownership types did not have influence on the HR department's strategic involvement.

Firm size was found to have a positive relationship with the HR department's influence ($\beta = .11, t = 2.96, p < .01$). Strategic involvement had positive and statistically significant relationship with the HR department's influence ($\beta = .82, t = 13.07, p < .001$). Ownership types and formal authority was found to be insignificantly associated with the HR department's influence.

We found that formal authority had a positive and statistically significant association with the HR department's effectiveness ($\beta = .17, t = 3.85, p < .001$). Strategic involvement was found to be positively and significantly related to the HR department's effectiveness ($\beta = .47, t = 5.27, p < .001$). Influence of the HR department had a positive and significant relationship with the effectiveness of the HR department ($\beta = .33, t = 4.15, p < .001$). Ownership types and firm size did not have relationship with the HR department's effectiveness. The model explained 60% of the dependent variable, that is, the effectiveness of the HR department

A 95% confidence interval based on 10,000 bootstrap samples did not include zero, showing that the strategic involvement fully mediated the relationships of formal

authority and the influence and effectiveness of the HR department. The influence of the HR department partially mediated the relationship between strategic involvement and HR department effectiveness.

Table 5. Results of multiple linear regression analysis and analyses of mediating effects in Sample 2

	Involvement	Influence	Effectiveness of HR department	
Independent variables	β (SE)	β (SE)	β (SE)	
<i>Controls</i>				
Ownership type	0.17 (.12)	0.08 (0.09)	0.17 (0.09)	
Firm size	-0.01 (.05)	0.11 (0.04)**	-0.06 (0.04)	
<i>Direct effects</i>				
Formal authority	0.14 (.06)*	0.04 (0.04)	0.17 (0.04)***	
Strategic involvement	—	0.82 (0.06)***	0.47 (0.09)***	
Influence	—	—	0.33 (0.08)***	
Overall R^2	0.05	0.57	0.60	
ΔR^2	—	0.52	0.03	
df	3, 151	4, 150	5, 149	
Overall F	2.785*	49.288***	44.900***	
<i>Bootstrap indirect effect on HR department effectiveness</i>				
		<i>Effect (Boot SE)</i>	<i>BootLL 95% CI</i>	<i>BootUL 95 %CI</i>
Formal authority \rightarrow Strategic involvement \rightarrow HR department effectiveness		0.065 (.035)	0.013	0.155
Formal authority \rightarrow Strategic involvement \rightarrow Influence \rightarrow HR department effectiveness		0.037 (.022)	0.006	0.096

Notes: N2 = 155

LL = lower limit; CI = confidence interval; UL = upper limit; Unstandardized regression coefficients are reported; Standard errors in parentheses.

Bootstrap sample size = 10,000

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Discussion and implications

The present study aimed to investigate the effect of formal authority on the effectiveness of the HR department. Two separate samples were used to test the research hypotheses. Overall, the findings showed that as the HR department was perceived to possess more formal authority, line managers reported the HR department to be more involved in the strategic management process. Strategic involvement was found to be a mediator in the relationship with HR department effectiveness. This result shows that strategic involvement is a critical condition for line managers to recognize the HR department's performance. Furthermore, we found line managers from public sector organizations tended to rate their HR department as having greater formal authority than those in the private sector.

The current study is in a response to the call for empirical evidence of contextual conditions that affect the effectiveness of the HR department (Ferris *et al.*, 2007; Galang & Ferris, 1997; Stiles & Trevor, 2006). In particular, this study lends support to prior work on the political influence of the HR department by establishing how an organizational context such as formal authority contributes to interdepartmental levels of influence (e.g., Ferris & Judge, 1991; Ferris *et al.*, 1995; Russ *et al.*, 1998; Sheehan *et al.*, 2007). This study extends the theory of power and influence of the HR department and perspective of institutional conditions in association with legitimacy of HRM in organizations (Ferris & Judge, 1991; Galang & Ferris, 1997; Galang *et al.*, 1999) by showing the influence of formal authority on perceptions of status of the HR department. Our study supports Aldrich *et al.* (2015), Truss *et al.* (2002), and Ulrich *et al.* (2009) by showing that power and influence of the HR department comes from a position of authority together with individual interpersonal relationships.

In this study, research findings show that formal authority reflects the HR department's legitimate position, its independent view of HRM and its central role in

making HR-related decisions. Formal authority enables the HR department to be more involved in the strategic management process, thereby creating a shared understanding of the importance of HRM in the organization (Bowen & Ostroff, 2004; Ferris & Judge, 1991; Pfeffer, 2009). Line managers' perceptions of the HR department's formal authority provided support for the legitimate status of the HR department in Vietnam when the department has legitimized authority in conducting HRM activities (Ferris *et al.*, 2007; Galang & Ferris, 1997). Thus, the HR department in Vietnam that desires to be more involved in the strategic management process has to understand how to use its formal authority in gaining influence (Galang & Ferris, 1997; Russ *et al.*, 1998; Sheehan *et al.*, 2007). The HR department in Vietnam is able to influence the hierarchical management structure in Vietnamese organizations, the rules and regulations, and its authority and ability to control scarce resources (Quang & Thang, 2004; Thang *et al.*, 2007; Zhu *et al.*, 2008).

This study found that the type of ownership of an organization influences perceptions of the formal authority of its HR department, with HR departments in public sector organizations being perceived to have more formal authority than those in private sector organizations. Ownership type is a critical factor influencing the configuration of HRM in organizations (Gooderham *et al.*, 1999; Kostova & Roth, 2002; Zhu *et al.*, 2008). Differences between ownership types can be explained by using institutional theory (Gooderham *et al.*, 1999; Scott, 2008). Public sector organizations are characterized by a highly hierarchical managerial structure and power centralization (Quang & Thang, 2004; Zhu *et al.*, 2008). The perceived formal authority of the HR department in the public sector reflects the bureaucratic organizational structure in Vietnam's public sector (Dong, Liem, & Grossman, 2010; Painter, 2003; Zhu *et al.*, 2007). Public sector organizations have inherited their structure from the centrally planned economy and these features have inhibited the adoption of new and modern

HRM philosophies from the West (Zhu *et al.*, 2008; Zhu & Verstraeten, 2013). The bureaucratic culture and hierarchical structure in the public sector lead to the recognition of the HR department's formal authority in the organization (Vo & Bartram, 2012; Zhu *et al.*, 2008). They also lead to line managers' perceptions that their HR departments are involved and able to influence strategic decision making (Vo & Bartram, 2012). Therefore, formal authority may provide opportunities for the HR department to exercise its power and political influence through strategic involvement to perform a wider range of HRM activities in the public sector in Vietnam (Galang & Ferris, 1997; Sheehan *et al.*, 2007).

On the other hand, private sector organizations tend to be young and more flexible. These organizations have the ability to acquire features of modern HRM systems from foreign organizations in Vietnam (Quang & Thang, 2004; Thang & Quang, 2005b). Studies have found evidence of modern HR practices and an increase in the strategic role of the HR department in the private sector (Nguyen *et al.*, 2013; Zhu *et al.*, 2008; Zhu & Verstraeten, 2013). The informal management systems and flatter hierarchical levels of private sector organizations enable the HR department to share decision making with line managers (Quang & Thang, 2004; Zhu *et al.*, 2008). Therefore, HR managers are able to influence line managers in accepting the HR department's roles. By working closely with line managers, the HR department can increase its influence and add value so that line managers can recognize its effectiveness (Nguyen *et al.*, 2013). This finding corroborates the study of Perry and Kulik (2008) conducted in Australia.

Managerial implications

HR managers in Vietnam could enhance their power and influence in their organizations by considering the findings in this study. Public sector HR managers could establish their formal authority among stakeholders as a way to enhance the HR department's

perceived effectiveness. This can be done by relying on the presence of the traditional bureaucratic characteristics of the public sector in Vietnam which confer the HR department with formal authority. This perceived formal authority has both direct and indirect effects on the HR department's effectiveness. An important factor is the need for the HR department to be involved in the strategic management process. As suggested by scholars such as Ferris and Judge (1991), Russ *et al.* (1998), and Sheehan *et al.* (2007), public sector HR managers must use political and influencing skills to get the support of CEOs, line managers and the organization. Some examples of these skills include sharing HR-related information with line managers, working with line managers to solve interpersonal problems, and discussing the goals of the organization with line managers as well as what the HR department can do to assist the implementation of business strategy (Ulrich *et al.*, 2009). With these influencing skills, public sector HR managers can play an active role in developing strategies and establishing good relationships with other senior managers, which is vital for HR managers (Galang *et al.* 1999; Sheehan *et al.*, 2007).

A number of studies have argued that the public sector has to make more improvements in HRM to be more competitive (Boyne, Jenkins, & Poole, 1999; Hays & Kearney, 2001; Teo, Ahmad, & Rodwell, 2003), Vietnam's public sector organizations should follow this trend (Vo & Bartram, 2012; Zhu *et al.*, 2008). Therefore, the HR department in the public sector should improve strategic management skills in order to integrate HRM activities with business decision-making processes. This suggestion is similar to that made by Teo and Rodwell (2007) in their study of public sector organizations in Australia.

Formal authority was found to be less important in the private sector Hence, to ensure the HR department is considered effective by line managers, HR managers have to consider the activities that will bring credibility and legitimacy to their department;

for example, by forming a partnership with line managers (Perry & Kulik, 2008). HRM activities could also be devolved to line managers in order to allow HR managers to focus on more strategic activities (Perry & Kulik, 2008). Furthermore, HR managers can become “boundary spanners” who possess, control, and manage relevant information that helps their organizations to deal with environmental contingencies (Russ *et al.*, 1998; Sheehan *et al.*, 2007; Ulrich *et al.*, 2009).

Limitations and future research implications

This study relied on perceptual measurements, which potentially can limit the study’s findings. Although we mitigated this potential problem by utilizing previously used and validated measures from HRM research (e.g., Teo & Rodwell, 2007; Wright *et al.*, 1998), future research should collect more objective measures of the HR department’s effectiveness such as cost of recruitment or cost of retention and turnover. This study attempted to limit the issue of a single source of respondents for common method variance. Future studies should utilize multiple sources in order to provide a comprehensive review of power and influence of the HR department. A longitudinal study is also essential to measure the effectiveness of the HR department.

A further limitation of the study is around the issue of the operationalization of formal authority. Future studies should develop a scale to measure the indicators reflecting characteristics of the HR department’s formal authority. They should also consider other organizational conditions, such as organizational climate, employment relations, and unionization, that may affect the status of the HR department (Galang & Ferris, 1997; Russ *et al.*, 1998). Lastly, as private sector organizations are adopting HRM practices, there is a possibility for HR managers in such organizations to share the implementation of HRM activities with line managers. Future studies could replicate Perry and Kulik’s (2008) study to examine how the devolution of HR activities affects the performance of the HR department.

This study involved line managers from private and public sector organizations, and from the manufacturing and service sectors. The cross-sectional nature of the sample is another factor that could potentially limit the study's findings. Future studies need to replicate the findings of this study within a particular sector because distinctive characteristics of industrial sectors can lead to differences in HRM adoption (e.g., Gooderham *et al.*, 1999). Line managers in the present study were from Ho Chi Minh City, one of the most modern cities in Vietnam. These participants may have been exposed to Western literature on HRM while studying their postgraduate course in Ho Chi Minh City. Future studies should collect perceptions of line managers in other Vietnamese regions in order to validate the study's findings and generalize its theoretical model.

Conclusion

The present study contributes to an understanding of the determinants of the effectiveness of the HR department in the context of Vietnam. Research findings show that in the public sector, highly formal authority practices affect the way line managers perceive the strategic involvement of the HR department. The more formal the authority, the more the public sector HR department is perceived to be involved in the strategic management process. Thus, formal authority is a prerequisite that the public sector HR department needs to signal its importance among line managers. To have a long-term influential role in the organization, the HR department in the public sector needs to develop its political and influencing skills. In contrast to this, the private sector HR department needs to develop a strategic partnership with line managers in order to increase its influence and perceived effectiveness.

References

- Aldrich, P., Dietz, G., Clark, T., & Hamilton, P. 2015. Establishing HR professionals' influence and credibility: Lessons from the capital markets and investment banking sector. *Human Resource Management*, 54(1): 105-130.
- Anderson, J., & Gerbing, D. 1988. Structural equation modeling in practice: A review and recommendation two-step approach. *Psychological Bulletin*, 103: 411-423.
- Barney, J. B., & Wright, P. M. 1998. On becoming a strategic partner: the role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1): 31-46.
- Bartram, T., Stanton, P., & Thomas, K. 2009. Good morning Vietnam: new challenges for HRM. *Management Research News*, 32(10): 891-904.
- Becker, B., & Gerhart, B. 1996. The impact of human resource management on organizational performance: progress and prospects. *Academy of Management Journal*, 39(4): 779-801.
- Bowen, D. E., & Ostroff, C. 2004. Understanding HRM-firm performance linkage: The role of the "strength" of the HRM system. *Academy of Management Review*, 29(2): 203-221.
- Bowen, D. E., Galang, C., & Pillai, R. 2002. The role of human resource management: an exploratory study of cross-country variance. *Human Resource Management*, 41(1): 103-122.
- Boyne, G., Jenkins, G., & Poole, M. 1999. Human resource management in the public and private sectors: An empirical comparison. *Public Administration*, 77(2): 407-420.
- Braun, V., & Clarke, V. 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2): 77-101.

- Brislin, R. W. 1970. Back translation for cross-cultural research. *Journal of Cross-Cultural Psychology*, 1(3): 185-216.
- Buyens, D., & Vos, A. D. 2001. Perceptions of the value of the HR function. *Human Resource Management Journal*, 11(3): 70-89.
- Byrne, B. M. 2009. *Structural equation modelling with AMOS: Basic concepts, applications, and programming* (2nd ed.). New York, Routledge.
- Caldwell, R. 2011. HR directors in UK boardrooms: a search for strategic influence or symbolic capital? *Employee Relations*, 33(1): 40-63.
- Cohen, J. 1988. *Statistical power analysis for behavioral sciences* (2nd ed.). New York, Academic.
- Dobbin, F., & Sutton, J. R. 1998. The strength of a weak state: The rights revolution and the rise of human resource management divisions. *American Journal of Sociology*, 104(2): 441-475.
- Dong, G., Liem, C. G., & Grossman, M. 2010. Knowledge-sharing intention in Vietnamese organizations. *VINE: The Journal of Information and Knowledge Management Systems*, 40(3-4): 262-276.
- Dorfman, P. W., & Howell, J. P. 1988. Dimensions of national culture and effective leadership patterns: Hofstede revisited. *Advances in International Comparative Management*, 3(1): 127-150.
- Enz, C. A. 1988. The role of value congruity in intraorganizational power. *Administrative Science Quarterly*, 33(2): 284-304.
- Farh, J. L., Hackett, R. D., & Liang, L. 2007. Individual-level cultural values as moderators of perceived organizational support-employee outcome relationships in China: Comparing the effects of power distance and traditionality. *Academy of Management Journal*, 50(3): 715-729.

- Faul, F., Erdfelder, E., Buchner, A., & Lang, A-G. 2009. Statistical power analyses using G* Power 3.1: Tests for correlation and regression analyses. *Behavior Research Methods*, 41(4): 1149-1160.
- Ferris, G. R., & Judge, T. A. 1991. Personnel/human resources management: a political influence perspective. *Journal of Management*, 17(2): 447-488.
- Ferris, G. R., Galang, M. C., Thornton, M. L., & Wayne, S. J. 1995. A power and politics perspective on human resource management. In G. R. Ferris, S. D. Rosen & D. T. Barnum (Eds.). *Handbook of human resource management*: 100-114. Cambridge, Mass: Blackwell.
- Ferris, G. R., Perrewe, P. L., Ranft, A. L., Zinko, R., Stoner, J. S., Brouer, R. L., & Laird, M. D. 2007. Human resources reputation and effectiveness. *Human Resource Management Review*, 17(2): 117-130.
- Fornell, C., & Larcker, D. F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1): 39-50.
- Galang, M. C., & Ferris, G. R. 1997. Human resource department power and influence through symbolic action. *Human Relations*, 50(11): 1043-1066.
- Galang, M. C., Elsik, W., & Russ, G. S. 1999. Legitimacy in human resources management. *Research in Personnel and Human Resources Management*, 17: 41-79.
- Golden, K. A., & Ramanujam, V. 1985. Between a dream and a nightmare: on the integration of the human resource management and strategic business planning processes. *Human Resource Management*, 24(4): 429-452.
- Gooderham, P. N., Nordhaug, O., & Ringdal, K. 1999. Institutional and rational determinants of organizational practices: human resource management in European firms. *Administrative Science Quarterly*, 44(3): 507-531.

- Guest, D., & Conway, N. 2011. The impact of HR practices, HR effectiveness and a 'strong HR systems' on organizational outcomes: a stakeholder perspective. *The International Journal of Human Resource Management*, 22(8): 1686-1702.
- Harel, G. H., & Tzafrir, S. S. 1999. The effect of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38(3): 185-200.
- Hayes, A. F. 2013. *Introduction to mediation, moderation, and conditional process analysis. A regression-based approach*. New York, NY: Guildford.
- Hays, S. W., & Kearney, R. C. 2001. Anticipated changes in human resource management: Views from the field. *Public Administration Review*, 61(5): 585-597.
- Hickson, D. J., Hinings, C. R., Lee, C. A., Schneck, R. E., & Pennings, J. M. 1971. A strategic contingencies' theory of intraorganizational power. *Administrative Science Quarterly*, 16(2): 216-229.
- Hinings, C. R., Hickson, D. J., Pennings, J. M., & Schneck, R. E. 1974. Structural conditions of intraorganizational power. *Administrative Science Quarterly*, 19(1): 22-44.
- Kelly, E., & Dobbin, F. 1998. How affirmation action became diversity management. *American Behavioral Scientist*, 41: 960-984.
- Kelly, J., & Gennard, J. 2001. *Power and influence in the boardroom: The role of the personnel/HR director*. New York, Routledge.
- Kelly, J., & Gennard, J. 2007. Business strategic decision making: the role and influence of directors. *Human Resource Management Journal*, 17(2): 99-117.
- Kostova, T., & Roth, K. 2002. Adoption of an organizational practice by subsidiaries of multinational corporations: institutional and relational effects. *The Academy of Management Journal*, 45(1): 215-233.

- Legge, K. 1978. *Power, innovation, and problem-solving in personnel management*. London: McGraw-Hill.
- Lindell, M. K., & Whitney, D. J. 2001. Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86(1): 114-121.
- Malhotra, N. K., Kim, S. S., & Patil, A. 2006. Common method variance in IS research: A comparison of alternative approaches and a reanalysis of past research. *Management Science*, 52(12): 1865-1883.
- Meyer, J. W., & Rowan, B. 1977. Institutionalized organizations: formal structures as myth and ceremony. *American Journal of Sociology*, 83(2): 340-363.
- Napier N. K. 2005. Knowledge transfer in Vietnam: starts, stop, and loops. *Journal of Managerial Psychology*, 20(7): 621-636.
- Nguyen, D., Teo, S., & Mylett, T. 2013. An exploration of the roles of HR departments in Vietnam. *Journal of General Management*, 39(2): 83-113.
- Novicevic, M., & Harvey, M. 2001. The changing role of the corporate HR function in global organizations of the twenty-first century. *The International Journal of Human Resource Management*, 12(8): 1251-1268.
- Painter, M. 2003. Public administration reform in Vietnam: Problems and prospects. *Public Administration and Development*, 23: 259-271.
- Paauwe, J., & Boselie, P. 2005. HRM and performance: what next? *Human Resource Management Journal*, 15(4): 68-83.
- Perry, E. L., & Kulik, C. T. 2008. The devolution of HR to the line: Implications for perceptions of people management effectiveness. *The International Journal of Human Resource Management*, 19(2): 262-273.
- Pfeffer, J. (2009). Understanding power in organizations. In D. Tjosvold & B. Wisse (Eds.), *Power and interdependence in organizations*: 17-32. Cambridge Books Online – Management.

- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. 2003. Common method biases in behavioural research: a critical review of the literature and recommendation remedies. *Journal of Applied Psychology*, 88(5): 879-903.
- Procter, S., & Currie, G. 1999. The role of the personnel function: roles, perceptions and processes in an NHS trust. *The International Journal of Human Resource Management*, 10(6): 1077-1091.
- Quang, T., & Thang, L. C. (2004). HRM in Vietnam. In P. P. Budhwar (Eds.), *Managing human resources in Asia Pacific*: 173–199. London and New York, Routledge.
- Quang, T., Thang, L. C., & Rowley, C. 2008. The changing face of human resource in Vietnam. In C. Rowley & S. Abdul-Rahman (Eds.), *The changing face of management in Southeast Asia*: 185-221. London and New York: Routledge.
- Rafferty, A. E., & Griffin, M. A. 2004. Dimensions of transformational leadership: conceptual and empirical extensions. *Leadership Quarterly*, 15(3): 329-354.
- Reichel, A., & Lazarova, M. 2013. The effects of outsourcing and development on the strategic position of HR departments. *Human Resource Management*, 52(6): 923-946.
- Roehling, M. V., Boswell, W. R., Caligiuri, P., Feldman, D., Graham, M. E., Guthrie, J. *et al.* 2005. The future of HR management: Research needs and directions. *Human Resource Management*, 44(2): 207-216.
- Russ, G. S., Galang, M. C., & Ferris, G. R. 1998. Power and influence of the human resources function through boundary spanning and information management. *Human Resource Management Review*, 8(2): 125-148.
- Salancik, G. R., & Pfeffer, J. 1977. Who gets power – and how they hold on to it: A strategic contingency model of power. *Organizational Dynamics*, 5(3): 3-21.

- Scott, W. R. (Eds.). 2008. *Institutions and organizations – ideas and interests*. Sage Publications: Los Angeles, London, New Delhi, Singapore.
- Sheehan, C., Cooper, B., Holland, P., & De Cieri, H. 2007. The relationship between HRM avenues of political influence and perceived organizational performance. *Human Resource Management*, 46(4): 611-629.
- Sheehan, C., De Cieri, H., & Cooper, B. 2014. Exploring the power dimensions of the human resource function. *Human Resource Management Journal*, 24(2): 193-210.
- Sikora, D. M., & Ferris, G. R. 2014. Strategic human resource practice implementation: The critical role of line management. *Human Resource Management Review*, 24(3): 271-281.
- Stiles, P., & Trevor, J. 2006. The human resource department: roles, coordination and influence. In G. K. Stahl & I. Bjorkman. *Handbook of research in international human resource management*: 49-67. Cheltenham, UK; Northampton, Mass., USA. E. Elgar Pub.
- Teo, S. T. T., Ahmad, T., & Rodwell, J. J. (2003). HR role effectiveness and organizational culture in Australian local government. *Asia Pacific Journal of Human Resources*, 41(3), 298-315.
- Teo, S. T. T., & Rodwell, J. J. 2007. To be strategic in the new public sector, HR must remember operational activities. *Human Resource Management*, 46(2): 265-284.
- Thang, L. C., & Quang, T. 2005b. Antecedents and consequences of dimensions of human resource management practices in Vietnam. *The International Journal of Human resource management*, 16(10): 48–64.
- Thang, L. C., Rowley, C., Quang, T., & Warner, M. 2007. To what extent can management practices be transferred between countries? The case of human resource management in Vietnam. *Journal of World Business*, 42(1): 113-127.

- Thang, N. V., & 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*, 22(6): 595-613.
- Truss, C., Gratton, L., Hope-Hailey, V., Stiles, P., & Zaleska, J. 2002. Paying the piper: choice and constraint in changing HR functional role. *Human Resource Management Journal*, 12(2): 39-63.
- Tsui, A. S. 1990. A multiple-constituency model of effectiveness: an empirical examination at the human resource subunit level. *Administrative Science Quarterly*, 35(3): 458-483.
- Uen, J. F., Ahlstrom, D., Chen, S-Y., & Tseng, P-W. 2012. Increasing HR's strategic participation: The effect of HR service quality and contribution expectations. *Human Resource Management*, 51(1): 3-24.
- Ulrich, D. 1997. *Human resource champions: the next agenda for adding value and delivering results*. Boston: Harvard Business School Press.
- Ulrich, D., Brockbank, W., Johnson, D., Sandholtz, K., & Younger, J. 2009. *HR competencies mastery at the intersection of people and business*. Alexandria: The Society for Human Resource Management.
- Ulrich, D., & Dulebohn, J. H. 2015. Are we there yet? What's next for HR? *Human Resource Management Review*, 25(2): 188-204.
- Venaik, S., Midgley, D. F., & Devinney, T. M. 2005. Dual paths to performance: the impact of global pressures on MNC subsidiary conduct and performance. *Journal of International Business Studies*, 36(6): 655-675.
- Vo, A., & Bartram, T. 2012. The adoption, character and impact of strategic human resource management: a case study of two large metropolitan Vietnamese public hospitals. *The International Journal of Human Resource Management*, 23(18): 3758-3775.

- Walker, J. W. 1992. *Human resource strategy*. New York: McGraw-Hill, Inc.
- Weinstein, M., & Obloj, K. 2002. Strategic and environmental determinants of HRM innovations in post-socialist Poland. *International Journal of Human Resource Management*, 13(4): 642-659.
- Welbourne, T., & Cyr, L. 1999. The human resource executive effect in initial public offering firms. *Academy of Management Journal*, 42(6): 616-629.
- Wright, P. M., & McMahan, G. C. 1992. Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2): 295-320.
- Wright, P. M., McMahan, G. C., McCormick, B., & Sherman, W. S. 1998. Strategy, core competence, and HR involvement as determinants of HR effectiveness and refinery performance. *Human Resource Management*, 37(1): 17-29.
- Wright, P. M., McMahan, G. C., Snell, S. A., & Gerhart, B. 2001. Comparing line and HR executives' perceptions of HR effectiveness. *Human Resource Management*, 40(2): 111-123.
- Wright, P., & Snell, S. A. 2005. Partner or guardian? HR's challenge in balancing value and values. *Human Resource Management*, 44: 177-182.
- Zhu, Y., Collins, N., Webber, M., & Benson, J. 2008. New forms of ownership and human resource practices in Vietnam. *Human Resource Management*, 47(1): 157-175.
- Zhu, Y., & Verstraeten, M. 2013. Human resource management practices with Vietnamese characteristics: a study of managers' responses. *Asia Pacific Journal of Human Resources*, 51(2): 152-174.

Paper 3 –HR ORIENTATIONS AND HR DEPARTMENT EFFECTIVENESS IN VIETNAM

This refereed conference paper (blind review) was presented at the Second Human Resource Division International Conference, 20–22 February 2016, Sydney, Australia.

CHAPTER 6/ PAPER 3

HR ORIENTATIONS AND HR DEPARTMENT EFFECTIVENESS IN VIETNAM

Abstract Human resource (HR) philosophy and an organization's commitment to employees are important components of a human resource management (HRM) system, yet there is little empirical evidence of the influences of these variables on the effectiveness of HRM implementation. Few studies have examined the effect of intended and implemented HR practices on line managers' perceptions of HR department effectiveness. The current study will examine how these factors could result in a positive evaluation of HR department effectiveness in Vietnam. Two separate samples were collected. Sample 1, comprising 405 line managers, used to test the hypothesized relationships, and Sample 2, comprising 192 line managers, was used to validate the findings from Sample 1. Line managers reported positive associations between an organization's HR philosophy and commitment to employees and its SHRM orientation and implemented HR practices. These associations were also positively associated with the HR department's effectiveness. Both theoretical and practical implications will be discussed in relation to the effectiveness of the HR department in a developing economy such as Vietnam.

Key words: HR philosophy, commitment to employees, HR department, implemented HR practices, SHRM orientation, Vietnam

Introduction

In the call for the strategic contribution of human resource management (HRM) functions, several studies have examined the direct and indirect effects of various factors on the effectiveness of the HR department. For instance, Teo and Rodwell (2007) argued for the HR department's strategic integration into business planning in order to promote this department's performance, and Ryu and Kim (2013) suggested transferring HRM activities to line managers to increase perceptions of the HR department's effectiveness. Despite the proliferation of research on the HR department's effectiveness, there are still considerable gaps in our knowledge of which factors influence line managers' evaluations of HR department effectiveness. Prominent HRM scholars such as Guest (2011) and Welbourne (2012) have argued for more empirical studies to be conducted in order to provide a deeper understanding of the determinants of the HR department's effectiveness. In addition, evidence of HRM effectiveness has been examined in developed economies such as the United Kingdom (Guest & Conway, 2011), Australia (Kulik & Perry, 2008; Teo & Rodwell, 2007) and South Korea (Ryu & Kim, 2013), but little has been written about the HR department's effectiveness in developing economies. The aim of the current study is to examine factors that affect line managers' perceptions of the HR department's effectiveness in Vietnam.

Studies on HRM in Vietnam have scrutinized the increasing application and impact of Western literature on HR practices in local organizations, including how this literature has shaped managers' perceptions of HRM's importance in organizational success (Bartram *et al.*, 2009; Nguyen *et al.*, 2013; Thang & Quang, 2005b). The HR department in Vietnamese organizations is now expected to show HRM value in increasing organizational performance (Truong & van der Heijden, 2009; Vo & Bartram, 2012). Another factor that has been under-researched is how an organization's

HR and SHRM orientations relate to HR department effectiveness. Therefore, the current study seeks to investigate the determinants of the effectiveness of the HR department in Vietnam.

Research on factors determining the effectiveness of HRM implementation in Vietnam has been scarce. For instance, Thang and Quang (2005b) investigated managers' perceptions of the value of human resources and how these perceptions affect the way organizations manage employees, and Vo and Bartram (2012) argued that senior managers' perceptions of the importance of HRM determine the success of SHRM adoption. Such a small number of studies make it harder to understand what makes Vietnamese organizations successfully adopt SHRM orientation and implement HRM effectively. Simultaneously, a lack of examination of implemented HR practices has resulted in an inaccurate evaluation of the HR department's performance (Guest, 2011; Paauwe *et al.*, 2013). In particular, there has been a lack of research in Vietnam that examines line managers' recognition of the HR department's effectiveness through implemented HR practices. This is the second focus of the present study.

Vietnam has a socialist work value that stresses the importance of collective contribution and cooperation between individuals, as well as a paternalist value that emphasizes managers' responsibility to subordinates and their need for guided development (Quang & Thang, 2004; Truong & van der Heijden, 2009). These work values lead to a greater awareness of the strategic role of employees and the favorable conditions needed to exploit their capabilities (Bartram *et al.*, 2009; Thang & Quang, 2005b). It is vital, therefore, for the present study to identify appropriate variables for Vietnamese work values toward human resources. The variables of HR philosophy and an organization's commitment to employees (OCE) are about the organization's belief in the high value of the workforce and its commitment to invest in human capital development. These two variables positively affect the way an organization manages its

employees (Lee & Miller, 1999; Lepak *et al.*, 2007; Rodwell & Teo, 2004). Hence, these two variables are applicable to this study's examination of the determinants of the HR department's effectiveness.

This research contributes empirical evidence to the SHRM literature on the HR department's effectiveness. Specifically, this study adds to the literature by emphasizing the importance of HR philosophy and OCE. HR philosophy and OCE are used to operationalize an organization's HR orientations (Lee & Miller, 1999; Monks *et al.*, 2013; Roca-Puig *et al.*, 2007). However, these two constructs have not received much attention in terms of how they can affect the extent to which the HR department plays an active role in the organization's strategic management process. In addition, SHRM studies have found a gap between intended and implemented HR practices when examining the HRM-performance relationship (Khilji & Wang, 2006; Khilji, 2002; Truss, 2001). Thus, this study contributes to this under-researched area by confirming the importance of implemented HR practices as a reference for line managers to evaluate the HR department's performance (Brewster *et al.*, 2013; Guest & Conway, 2011).

Theoretical Background and Hypotheses

Galang and Ferris (1997) argued that power and influence of the HR department come from its formal authority and ability to access scarce organizational resources. According to Galang and Ferris (1997), political and institutional support allow the HR department to access organizational resources when performing a range of HRM activities. Hence, these HRM activities can shape perceptions of the importance of the HR department (Ferris *et al.*, 2007; Galang & Ferris, 1997). An example of political and institutional support is an organization's HR orientations (Ferris *et al.*, 2007; Ferris & Judge, 1991; Galang *et al.*, 1999).

It has been argued that an organization's HR orientations provide a form of institutional status for the HR department, so that the department can obtain scarce organizational resources (Brandl & Pohler, 2010; Sheehan *et al.*, 2007). Scholars have stated that an organization's HR orientations determine the level of support that the HR department receives from top management (Brandl & Pohler, 2010; Sheehan *et al.*, 2007; Tsui, 1990). When an organization values the role of human resources, top managers are likely to involve the HR department in the process of strategic management (Brandl & Pohler, 2010; Sheehan *et al.*, 2007). Subsequently, perceptions of the HR department's effectiveness are one of the key outcomes that show power and influence of this department as perceived by line managers (Ferris *et al.*, 2007; Galang & Ferris, 1997; Sheehan *et al.*, 2007).

The resource-based view (RBV) can be used to explain the extent to which an organization's HRM function can become strategic. The RBV proposes that if an organization's human resources are perceived to be valuable, scarce, imperfectly imitable, and non-substitutable, it can lead to a sustainable competitive advantage for the organization (Barney *et al.*, 2011; Lado & Wilson, 1994). SHRM studies that have applied the RBV emphasize that organizations have to develop an HR philosophy and OCE in order to produce effective HRM systems that enhance employee capability (Boxall & Macky, 2009; Godard & Delaney, 2000; Lee & Miller, 1999). HR philosophy and OCE are closely linked with the value line managers place on human resources and how they manage employees (Lepak *et al.*, 2007; Muse *et al.*, 2005). Hence, organizations rely on HR philosophy and OCE to determine SHRM orientation and the set of complementary HR practices implemented in the organization (Boxall & Macky, 2009; Lee & Miller, 1999; Lepak & Snell, 2002).

Vietnam is a developing economy located in the Southeast Asia region. Since its economic reform in 1986, Vietnam has had many opportunities to attract foreign

investments and to join the global market. Yet, developing a qualified workforce is one of the current challenges that Vietnamese organizations face in the globally competitive market place (Quang & Thang, 2004; Truong & van der Heijden, 2009). Currently, the government argues for organizations to invest in human capital in order to develop their businesses within the global market (Bartram *et al.*, 2009; Truong & van der Heijden, 2009). Yet little is known about whether organizations in Vietnam adopt a similar philosophy of emphasizing the value of human resources and whether this HR orientation leads to an increased emphasis on the contribution of HRM (Kepes & Delery, 2007; Lam & White, 1998; Lepak *et al.*, 2007). Based on the country's economic conditions, its socialist work ethic, and the paternalistic values of the Vietnamese workplace (Quang & Thang, 2004; Truong & van der Heijden, 2009), it is important to understand how an organization's HR philosophy and OCE relate to its implementation of HR practices and the effectiveness of its HR department.

Human Resource Philosophy and an Organization's Commitment to Employees

HR philosophy is an organization's general beliefs about the central role of human resources in the overall success of the organization (Kepes & Delery, 2007; Schuler, 1992). An organization's HR philosophy reflects how it considers the welfare and treatment of its employees (Lepak *et al.*, 2007). HR philosophy also reflects an organization's effort to attract, retain, and develop employees' competencies and maintain employee commitment (Lam & White, 1998). When employees are seen as the core of an organization, they are able to contribute to the achievement of organizational objectives by fully utilizing their behaviors and competencies (Lepak & Snell, 2002; Wright & McMahan, 1992). In addition, organizations that place a high value on their employees' contributions establish a social environment of attention and commitment to these employees, who are given opportunities to contribute to the achievement of organizational objectives (Lam & White, 1998; Muse *et al.*, 2005; Roca-Puig *et al.*,

2004). Therefore, HR philosophy can be a guide for the development and implementation of HRM systems (Lepak & Snell, 2002; Lepak *et al.*, 2007; Nishii *et al.*, 2008).

OCE reflects the organization's investment in human capital in terms of its focus on employee competence development and compensation (Eisenberger *et al.*, 1990; Organ, 1990). Employees working in a high OCE environment will have a common perception and understanding that the organization has a commitment to ensuring intangible assets (such as skills, knowledge, and abilities of employees) are managed and invested strategically (Bowen & Ostroff, 2004; Lee & Miller, 1999). In addition, OCE is regarded as a process of social exchange between managers and employees, allowing employees to become involved in decision making, sharing information, and presenting their opinions (Lee & Miller, 1999; Miller & Lee, 2001). Thus, this commitment becomes critical for the enhancement of organizational performance through the contributions of employees (Lee & Miller, 1999; Rodwell & Teo, 2004). While HR philosophy reflects an organization's high regard for the role of human resources (Kepes & Delery, 2007; Schuler, 1992), OCE informs employees about management practices and shows them how much they are valued and part of an organization (Lee & Miller, 1999; Wayne *et al.*, 1997). This study hypothesizes that:

Hypothesis 1: There is a positive association between HR philosophy and OCE.

SHRM Orientation and Implemented HR practices

SHRM orientation refers to the pattern of strategic choices in people management that enhances the effectiveness of management (Armstrong, 2011; Boxall & Purcell, 2011). Accepting intangible assets as sources of competitive advantage leads to the adoption of SHRM orientation through the alignment of HRM activities with business strategy (Lee & Miller, 1999; Lepak & Snell, 2002). Hence, organizations use SHRM orientation to

enhance competencies and the behaviors of employees that assist in the implementation and achievement of business strategies (Lengnick-Hall *et al.*, 2009; Rodwell & Teo, 2004). Scholars have argued that a decision on SHRM orientation is dependent on general beliefs and the perceptions of managers in an organization toward the strategic role of human resources in contributing to the organization's success. These perceptions of HR direct and determine what organizations actually do for the workforce (Lam & White, 1998; Lepak *et al.*, 2007; Miller & Lee, 2001).

Specifically, organizations that pursue HR philosophy in their activities tend to deploy, motivate, develop, and retain employees (Boxall & Macky, 2009; Lam & White, 1998). Such organizations devote their attention to implementing HRM systems that utilize strategic human capital as fully as possible (Bae & Lawler, 2000; Butler *et al.*, 1991; Lepak *et al.*, 2007). SHRM studies have shown that HR philosophy leads to the design of HRM systems and have discussed the benefits of the pursuit of HR philosophy in HRM activities. For instance, Schuler (1992) addressed the need to value and treat human resources with respect while linking HR philosophy to other HR components such as HR policies, programs, practices, and processes. Lam and White (1998) argued that organizations with a strong HR philosophy perform significantly better than organizations with a weaker HR philosophy. They explained that such organizations tend to promote a strong HR culture and SHRM orientation in which the management invests heavily in HRM activities (Lam & White, 1998). Lepak *et al.* (2007) found that differentiated HRM systems are derived from different views of the value of human resources held by the management. In other words, HR philosophy guides the way organizations plan to manage employees effectively in order to enhance the overall performance of the organization (Lam & White, 1998; Lepak *et al.*, 2007; Schuler, 1992). Hence, this study hypothesizes that:

Hypothesis 2: There is a direct relationship between HR philosophy and SHRM orientation.

Organizations that focus on OCE typically invest more than similar organizations in progressive and strategic HRM activities (Huselid, 1995; Lee & Miller, 1999; Rodwell & Teo, 2004). OCE development facilitates a climate that encourages communication and the exchange of ideas and information between managers and employees (Roca-Puig *et al.*, 2007; Whitener, 2001). This social climate focuses on giving employees organizational support and resources to enable them to perform their tasks (Miller & Lee, 2001; Truss *et al.*, 1997). Thus, OCE helps to send a message that allows employees to understand the way in which an organization manages employees strategically in terms of policies, procedures, practices, and processes (Bowen & Ostroff, 2004; Miller & Lee, 2001). While OCE is an organization's promise to employees about how they can deploy skills, knowledge, and behaviors for their jobs, SHRM orientation is the direction of complementary practices that develop employee skills and motivation toward the achievements of business goals (Lee & Miller, 1999; Ngo *et al.*, 2008). An empirical study undertaken by Rodwell and Teo (2004) shows that high-performing organizations are characterized by the alignment and consistency of OCE and SHRM orientation. Hence, it is hypothesized that organizations that have OCE will adopt SHRM orientation toward their employees (Godard & Delaney, 2000; Lepak & Snell, 2002; Rodwell & Teo, 2004).

Hypothesis 3: There is a direct relationship between OCE and SHRM orientation.

When organizations strongly believe in the criticality of human resources, they create and conduct a set of HR practices for human capital development with a long-term concentration on the management of a competent workforce (Boxall & Purcell, 2011; Youndt *et al.*, 1996). The utilization of a set of HR practices is viewed by

employees as indicators of the organization's investment in human resources (Lepak *et al.*, 2007; Snell & Dean, 1992). Employees rely on their own perceptions, interpretation, and experiences of the way an organization regards and manages its human resources if the organization decides to adopt HR as its corporate orientation (Lam & White, 1998; Khilji & Wang, 2006). If an organization has a strong HR philosophy, it will implement HR practices that focus on caring for its employees, motivating employees, and satisfying employee demands (Nishii *et al.*, 2008; Osterman, 1994).

Scholars researching HRM in Vietnam have attempted to show how an organization's human resources can be used strategically in terms of global competition. Thang and Quang (2005b) found a relationship between managers' perceptions of the value of human resources and the deployment of HR practices. When an organization's top management has a favorable perception of human resources' importance, then the organization will tend to involve HRM in business strategy and configure strategic HRM systems, including HR practices (Thang & Quang, 2005b). Bartram *et al.* (2009) also found that when the importance of human resources is recognized, organizations implement HR practices with a strategic integration of HRM into business strategy. Vo and Bartram (2012) argued that the utilization of HR practices in organizations depends on managers' perceptions of human resources and the strategic role of HRM. This study hypothesizes that:

Hypothesis 4: There is a direct relationship between HR philosophy and implemented HR practices.

One of OCE's purposes is to create a committed and responsible workforce through an investment in human capital development (Eisenberger *et al.*, 1990; Schuster, 1998; Shore & Wayne, 1993). The establishment of OCE directs visible and systematic actions through organizations' facilitation of good conditions for employees to perform their jobs better (Lee & Miller, 1999; Roca-Puig *et al.*, 2007). SHRM

research has argued that organizations with an emphasis on OCE progressively utilize HR practices in training, compensation, and performance and these practices in turn enhance workforce loyalty and commitment (Delaney & Huselid, 1996; Snell & Youndt, 1995). Additionally, OCE refers to practices implemented by an organization that allow employees to access information and participate in the decision-making process (Lee & Miller, 1999; Roca-Puig *et al.*, 2007). The pursuit of OCE is seen as a mechanism by which organizations communicate effectively with their employees concerning the practice of HRM (Bowen & Ostroff, 2004; Miller & Lee, 2001). Hence, the current study hypothesizes that:

Hypothesis 5: There is a direct relationship between OCE and implemented HR practices.

SHRM literature emphasizes the strategic role of HRM and the alignment of HRM with business strategy (Armstrong, 2011; Boxall & Purcell, 2011). SHRM orientation refers to “what an organization does with their human resources” (Ngo *et al.*, 2008, p. 73). SHRM orientation reflects the strategic way an organization effectively manages its human resources under conditions that contribute to higher organizational performance (Armstrong, 2011; Boxall & Purcell, 2011). SHRM orientation is a systematic approach to the planning and deployment of HR practices. Therefore, HR practices, such as training and development, compensation and benefits, and performance assessment, are considered to be important if they can leverage human capital by acquiring, developing, and motivating employees in organizations (Becker & Huselid, 2006; Posthuma *et al.*, 2013). The strategic approaches of the organization, therefore, include designing a set of internally consistent HR practices that attempt to exploit employee knowledge, skills, and abilities toward the achievement of business strategies (MacDuffie, 1995; Lengnick-Hall *et al.*, 2009). Thus, the current study hypothesizes that:

Hypothesis 6: There is a direct relationship between SHRM orientation and implemented HR practices.

Effectiveness of the HR Department

Although much of the research has focused on examining the adoption and effectiveness of HRM systems and their associations with organizational outcomes, there is a lack of empirical investigation on the HR department's effectiveness. In terms of the competitive advantage of an organization, the HR department plays a key role in ensuring that HRM systems are aligned with business strategies and enhance employees' and the organization's performance outcomes (Barney *et al.*, 2011; Golden & Ramanujam, 1985). Other studies have found that the presence of an effective HR department leads to the higher performance of an organization through the enhancement of employee competencies (Becker & Huselid, 1999; Teo *et al.*, 2011). When studying the HR department's effectiveness, scholars have argued for an additional way to evaluate HR department effectiveness (Ferris *et al.*, 2007; Galang & Ferris, 1997; Welbourne, 2012). While studies have focused on the roles, involvement, and influence of the HR department at the strategic level (e.g., Teo & Rodwell, 2007; Wright *et al.*, 1998), few studies have concentrated on the effectiveness of the HR department in relation to the implementation of HR practices (Guest, 2011; Paauwe *et al.*, 2013).

The extent to which human resources are regarded as being of central importance to an organization will determine what and how the HR department can contribute to the organization (Schuler, 1992; Truss *et al.*, 2002; Wright & McMahan, 1992). The pursuit of HR philosophy and OCE enables the HR department to identify the organization's demands on human resources over time and supports the organization in adopting a future focus as well as linking HRM strategies with the overall strategic direction of the organization (Truss *et al.*, 2002). While organizations view human resources as central to their success, HR philosophy and OCE are aligned with business

strategies and affect the current and future success of organizations while involving people (Lepak *et al.*, 2007; Miller & Lee, 2001; Roca-Puig *et al.*, 2007). Organizations highlight the need to recruit qualified employees and improve organizational performance, as well as the need to place a high value on the positive treatment of employees (Lepak *et al.*, 2007; Miller & Lee, 2001). Hence, HR philosophy and OCE allow the HR department to be an active member of the management team and to develop and link HR strategies with business strategies to enhance employee competencies (Tsui, 1990; Ulrich *et al.*, 2009). Organizations with a minimal HR philosophy often view the HR department as having purely an administrative function, thus lessening the key role of the HR department (Lam & White, 1998). In addition, organizations with high OCE are likely to show a higher level of performance when the HR department works to facilitate a climate of support, trust, and helpfulness aligned with a specific organizational strategy (Lee & Miller, 1999; Rodwell & Teo, 2004; Whitener, 2001).

In Vietnam, scholars have argued that the HR department contributes to the relationship between HRM and firm performance (Bartram *et al.*, 2009; Thang & Quang, 2005b). The HR department's effectiveness is not likely to be seen in the strategic investment agenda of the organization when managers lack an awareness of the strategic role of human resources and do not commit to exploiting the capabilities of human resources (Bartram *et al.*, 2009; Thang & Quang, 2005b). The HR department in Vietnam has been in need of self-development in terms of it being more effective and strategy focused. As well as exhibiting socialist and paternalist work values, the HR department is expected to show its effectiveness when organizations want to utilize the strategic role of human resources as part of their global competitiveness (Quang & Thang, 2004; Truong & van der Heijden, 2009). This study therefore hypothesizes that:

Hypothesis 7: There is a direct relationship between HR philosophy and the effectiveness of the HR department.

Hypothesis 8: There is a direct relationship between OCE and the effectiveness of the HR department.

The effectiveness of the HR department is also evaluated through what the department does in organizations (Tsui, 1990; Truss *et al.*, 2002). When an organization adopts SHRM orientation and implements HR practices consistently, the HR department is expected to be effective in meeting the expectations and objectives of constituents and in assisting the achievement of the strategic objectives (Teo *et al.*, 2011; Wright *et al.*, 2001). The focus for assessing the HR department's effectiveness is constituents' perceptions and interpretation of HRM systems (Bowen & Ostroff, 2004; Tsui, 1990; Wright *et al.*, 2001). The effectiveness of the HR department is observable when constituents can see its effective performance in the operational tasks and functions that affect their day-to-day activities (Gennard & Kelly, 1997; Teo & Rodwell, 2007). The HR department works to manage employee competence and enhance organizational performance. Thus, the department must be able to develop HR strategies that engender positive employee attitudes and behaviors, which are critical to the successful implementation of the organizational strategy (Ulrich *et al.*, 2009; Wright & McMahan, 1992). In addition, constituents perceive the effectiveness of the HR department through the way in which HRM systems are implemented and the way in which constituents perceive those HRM systems that have an influence on them (Guest & Conway, 2011; Khilji & Wang, 2006; Nishii *et al.*, 2008).

Vietnamese line managers similarly evaluate the effectiveness of the HR department in accordance with what the HR department delivers within organizations. Previous studies have found that line managers observe and are interested in what the HR department does to improve individual and organizational performance (Bartram *et*

al., 2009; Thang & Quang, 2005b). Line managers use their own experiences and daily interactions with the HR department and its implementation of HRM activities in order to better judge the effectiveness of the HR department (Nguyen *et al.*, 2013; Vo & Bartram, 2012). Thus, the current study hypothesizes that:

Hypothesis 9: There is a direct relationship between SHRM orientation and the effectiveness of the HR department.

Hypothesis 9a: There is a positive and significant relationship between HR philosophy and the effectiveness of the HR department where SHRM orientation mediates this relationship.

Hypothesis 9b: There is a positive and significant relationship between OCE and the effectiveness of the HR department where SHRM orientation mediates this relationship.

Hypothesis 10: There is a direct relationship between implemented HR practices and the effectiveness of the HR department.

Hypothesis 10a: There is a positive and significant relationship between HR philosophy and the performance of the HR department where implemented HR practices mediate this relationship.

Hypothesis 10b: There is a positive and significant relationship between OCE and the effectiveness of the HR department where implemented HR practices mediate this relationship.

Institutional theorists have concluded that HRM adoption is varied in organizations with different ownership types (Gooderham *et al.*, 1999, 2006). In particular, private sector organizations in Vietnam have a combination of personnel management and some HRM practices that they have learnt from foreign-investment organizations in Vietnam (Zhu *et al.*, 2008; Zhu & Verstraeten, 2013). Public sector organizations, by contrast, are still dominated by personnel management practices

rooted in the bureaucratic management systems (Vo & Bartram, 2012; Zhu *et al.*, 2008). It had been argued that line managers' perceptions of the roles of the HR department are different between private and public sectors due to the different nature of the organizational systems in the two sectors (Bartram *et al.*, 2009; Nguyen *et al.*, 2013; Quang & Thang, 2004). Thus, the present study hypothesizes that:

Hypothesis 11: There are differences in line managers' perceptions of the effectiveness of the HR department between public and private sectors.

The proposed research model and associated hypotheses are shown in Figure 1, except for the mediation and ownership-type hypotheses.

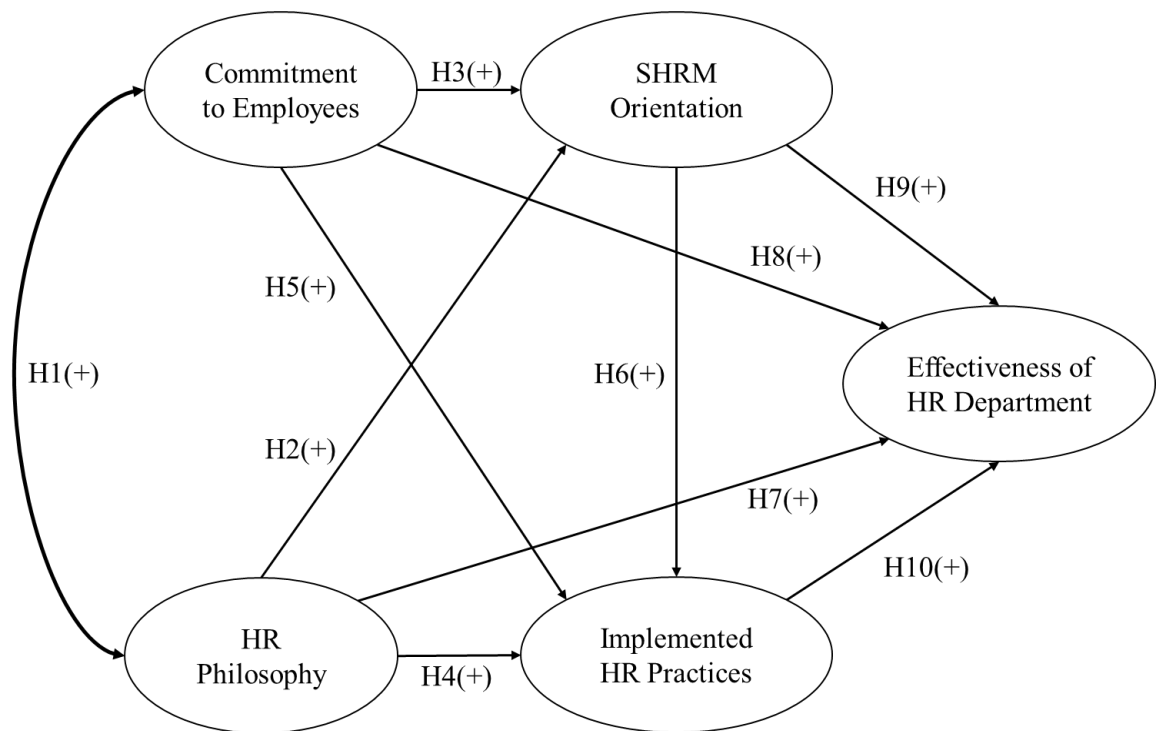


Figure 1. Proposed Model of the Study

Methodology

Data and Sample Selection

The study contained a self-report questionnaire that was sent to line managers who were part-time postgraduate students in business schools in Ho Chi Minh City, Vietnam. Power and effect size are two important criteria for a good research design (Cohen,

1988). The identification of the minimum number of respondents required was based on the number of predictors, the small effect size ($f^2 = 0.15$), and $r^2 = 0.5$. These indices reflect the minimum estimated squared multiple correlations (Cohen, 1988). The calculation of G* power analysis of the four-predictor model showed that this study had to approach at least 129 respondents (Cohen, 1988; Faul *et al.*, 2009). The 652 completed questionnaires collected from part-time postgraduate students and alumni in business schools in Ho Chi Minh City represent a response rate of 43.46%. The study excluded responses from non-managerial respondents and line managers who worked in organizations without a separate HR department. Finally, there were 405 usable questionnaires for the analysis (response rate of 27%). This number meant that the study had sufficient power and effect size to yield statistically significant accurate and flexible predictions with four predictors.

Approximately two-thirds (69.7%) of the respondents were working in the private sector and the rest (30.3%) were from the public sector. Just under two-thirds (63.2%) were working in the service industry and approximately one-quarter (26.9%) in the manufacturing industry. The majority of the respondents had more than three years' experience in their jobs (55.3%) and in their current organizations (61.3%). Approximately two-fifths (41.989%) of the respondents were working in large organizations (more than 500 employees), with the rest working for small and medium-sized organizations (50–499 employees). Previously validated scales were used in this study. *SPSS ver22* was used to produce descriptive statistics and correlations, and to run exploratory factor analyses. *AMOS ver22* (Byrne, 2009) was used to test the validity of the measurement model of scales and the developed hypotheses.

A separate data collection process was undertaken to validate and generalize the research findings. An anonymous online survey was uploaded onto the websites of two professional business associations in Vietnam –the Da Nang Association of Small and

Medium Enterprises and the Youth Business People Association – with the permission of these associations’ directors. The survey contained responses from line to top managers who did not participate in the first data collection process. Questionnaire items in the survey were taken from results of exploratory and confirmation factor analyses in the first data collection process. Sample 2 contained 192 valid and usable responses (a response rate of 64.2%). Nearly three-quarters (72%) of the respondents were working in the private sector. Slightly more than half (55.2%) of the respondents were working in the service industry, and the rest (44.8%) were in manufacturing industry. The majority of the respondents had more than three years of working experience in their current jobs (82.3%) and in their current organization (83.9%). Approximately one-quarter (26% of the respondents were working in large organizations (more than 500 employees), with the rest working for small and medium-sized organizations (50–499 employees). Due to this small sample size, *SmartPLS software* 2.0 M3 (Ringle, Wende, & Will, 2005) was used to validate the model in this study (Chin, 1998).

Measures

Following Brislin (1970), the survey was firstly translated from English to Vietnamese and then back-translated to English by one of the co-authors and a doctorate-qualified academic from Vietnam. To ensure the equivalence of translation, two other experienced HRM scholars who were not involved in the research conducted and compared their translations, repeating this process until all errors of interpretation were eliminated and the questionnaire appeared reasonable and acceptable.

Prior to the main study, semi-structured in-depth interviews were conducted with line managers and HR managers from a range of different organizations (both public and private sector) and industrial sectors in Vietnam (such as beverage, clothing, tourism, banking and manufacturing). The purpose of the interview was to validate the

relevance and applicability of all constructs and the proposed model within the Vietnamese context. The participants were asked about their perceptions of their organization's HR philosophy and commitment to employees, and the relationships of these constructs with the effectiveness of the HR department. Audio-recordings were taken with the permission of the interviewees. Notes were also taken during interviews to ensure the interviewees' true meanings were captured. A thematic approach was employed to analyze the interview data (Braun & Clarke, 2006).

The interviews validated the importance of human resources in Vietnamese organizations and their commitment to human capital investment. Line managers also confirmed that the beliefs of top management toward human resources influence the treatment of employees and that organization's care about employee welfare. The quotations below illustrate the meaning of HR philosophy and an organization's commitment to employees.

“This is a manufacturing company. Human resources are the most important resource, not machines... I think human resources constitutes 90% of the success of the organization. 10% is dependent on external influences, such as machines or supplies and services provided by other functions.” (PV-LM13)

“Human resources are important to an organization. Human resources are responsible for implementing business strategy...Employees in my company are treated well in relation to their individual career development plan.” (PV-LM02)

“I think human resources are a critical source to an organization as it determines the success or failure of an organization... Even if a business strategy is developed well but the workforce is not capable or the number of employees is not enough to implement it, the business strategy will fail.” (PL-LM03)

The interviewed HR managers also shared a common understanding of the role of human resources in their organizations. One of the interviewees addressed the linkage between HR orientations and the development and implementation of the HRM system in her organization. The interviews also addressed the important role of the HR department in conducting HRM activities that motivate employees to perform well. The

following quotations highlight the shared belief in the importance of human resources in ensuring the success of organizations and their relationship with the HR department's effectiveness.

“Human resources in a company must be treated well because human resources are a source that determines the success and failure of an organization. The importance of human resources is reflected in our organizational culture, and hence we specify these values in HRM policies, HRM processes, HR practices and behavior norms.” (PL-HRM04)

“I think the HR department works to align HRM activities with the organization's orientations including the development of human resource capabilities. When an organization has a high regard toward human resources, the HR department apparently plays an important role in recruiting, selecting and managing employees.” (PL-LM14)

The interview findings supported those of scholars such as Lam and White (1998), Lepak *et al.* (2007), and Rodwell and Teo (2004) who maintained that an organization's HR orientations can have an influence on the development of HRM systems. The interviewees also confirmed that an organization's HR orientations have an impact on the evaluation of the HR department's effectiveness. Interviewees were also asked to leave their comments on the translated questionnaire, including the statement items. This feedback was used to improve and ensure that the questionnaire could be understood by non-academic professionals. Furthermore, a pilot test of the translated survey was sent to 50 non-HR managers to re-evaluate the clarity of the translation and calculate the length of time needed to complete the survey. After the pilot testing, some items were reworded, refined, and changed to be more understandable and representative of the intended constructs. These steps ensured face and content validity of the scales.

The study used a four-item scale developed by Lepak *et al.* (2007) to measure HR philosophy. Respondents were asked to relate HR philosophy statements to their organizations' practices on a five-point Likert scale, from “1” = strongly disagree to “5” = strongly agree. The items were statements such as “We take care of our workforce, no

matter what business challenges we face”. In Sample 1, this scale had a composite reliability coefficient of 0.77 and an average variance estimate (AVE) of 0.58; in Sample 2, the composite reliability coefficient was 0.87 and the AVE was 0.63.

To measure OCE, the study use a six-item scale originally developed by Schuster (1982) and later used by Ngo *et al.* (2008). Respondents were asked to indicate whether their organizations showed commitment to the development of employee competence and a social exchange climate between supervisors and subordinates. The five-point Likert scale ranged from “1” = strongly disagree to “5” = strongly agree. The items were statements such as “Employees can fully utilize their knowledge and skills in the organization”. One item was removed due to its low factor loading. In Sample 1, this scale had a composite reliability coefficient of 0.85 and an AVE of 0.61; in Sample 2, the composite reliability coefficient was 0.91, and the AVE was 0.63.

To measure SHRM orientation, the study used a seven-item scale originally developed by Devanna *et al.* (1982) and later used by Huselid (1995) and Ngo *et al.* (2008). Respondents were asked to indicate whether their organizations employed SHRM orientation, using a five-point Likert scale from “1” = strongly disagree to “5” = strongly agree. The items were statements such as “This organization matches the characteristics of managers to the strategic plan of the organization”. Two items were deleted because they had low factor loadings. In Sample 1, this scale had a composite reliability coefficient of 0.84 and an AVE of 0.60; in Sample 2, the composite reliability coefficient was 0.92, and the AVE was 0.63.

To measure the implementation of HR practices, the study used a 23-item scale of HR practices originally developed by Delery and Doty (1996) and later used by Khilji and Wang (2006). Respondents were asked to indicate whether their organizations implemented these HR practices on a five-point Likert scale, from “1” = strongly disagree to “5” = strongly agree. This study used *SPSS ver22* to undertake exploratory

factor analysis of HR practices (four factors were identified with a KMO test: 0.90; 63.3% with an eigenvalue greater than 1.0). Seven items were removed due to their cross-loadings on other factors. The remaining 16 items were categorized into four factors: Participation (e.g., “Employees are allowed to make many decisions”, Cronbach alpha = 0.69), Employment Security (e.g., “Job security is almost guaranteed to employees in this organization”, Cronbach alpha = 0.72), Results-oriented Appraisal (e.g., “Performance is more often measured with objective quantifiable results”, Cronbach alpha = 0.79), and Training (e.g., “Extensive training programs are provided for employees in this organization”, Cronbach alpha = 0.86). It has been argued that correlating HR practices together can create positive synergistic effects on organizational outcomes (Boselie *et al.*, 2005; Buller & McEvoy, 2012). In addition, empirical evidence provided by Guest and Conway (2011), Purcell and Hutchinson (2007), and Wright *et al.* (2001) has shown that the effective performance of the HR department is evaluated by line managers in line with their satisfaction with interrelated HRM activities. Therefore, these factors were operationalized as a composite construct of HR practices, which yielded a composite reliability coefficient of 0.94 in Sample 1 and an AVE of 0.61; in Sample 2, the composite reliability coefficient was 0.90, and the AVE was 0.81.

The SHRM literature has argued that the HR department’s effectiveness can be characterized by the extent of line managers’ feelings toward HRM and the HR department’s effectiveness (Teo & Rodwell, 2007). Line managers evaluate whether or not HRM functions are performed well, the HR department meets their expectations, and this department is a value-added/bottom-line contributor to the organization (Tsui, 1990; Wright *et al.*, 1998). The current study used six items to measure the effectiveness of the HR department (Teo & Rodwell, 2007; Wright *et al.*, 1998). The items were statements such as “The HR department meets your expectations in its HRM

roles and responsibilities”. The respondents were asked to indicate their evaluation of their HR department’s performance on a five-point Likert scale, from “1” = extremely ineffective to “5” = extremely effective. In Sample 1, this scale had a composite reliability coefficient of 0.91 and an AVE of 0.70; in Sample 2, the composite reliability coefficient was 0.91 and the AVE was 0.66.

Control variables: The study controlled for the size and sector (private versus public) of the organizations that the managers worked for, as it has been argued that both these factors have an influence on the adoption of HR practices (Boyne *et al.* 1999; Teo, 2002). Industrial sectors (i.e., manufacturing versus service industries) were also controlled as this variable is likely to influence implemented HR practices (Bennett *et al.*, 1998). In addition, this study controlled for the tenure of respondents as this may have influenced their perceptions of implemented HR practices (Sheehan *et al.*, 2007). Our study showed that firm size, experience of line managers and company industrial sectors had no effect on the constructs in our model, as demonstrated by our ANOVA (with Tukey post hoc test) and independent-samples *t*-test analyses.

Model Estimation and Common Method Bias

In accordance with Sample 1, the present study followed Anderson and Gerbing’s (1988) two-step approach to check the measurement model reliability and validity, and to test the hypothesized structural model. In step 1, a series of confirmatory factor analyses (CFA) was undertaken by using *AMOS ver22*; in step 2, the parameter estimates in step 1 were used to create composite measures to run the full model.

In the analysis of the CFAs, the study estimated the measurement parts of the model and tested the convergent and discriminant validity of the measurements. The CFAs of individual scales showed that the scales met the recommended minimum fit indices (see Table 1).

Table 1. Analysis of Measurement Models in Sample 1

Congeneric measurement models	χ^2/df	RMSEA	CFI	TLI	SRMR	CR
HR Philosophy	0.02	0.00	1.0	1.01	0.001	0.77
OCE	1.65	0.04	0.99	0.99	0.018	0.85
SHRM Orientation	1.74	0.04	0.99	0.99	0.017	0.84
Implemented HR Practices	2.04	0.05	0.97	0.96	0.041	0.94
Effectiveness of HR Department	1.68	0.04	0.99	0.99	0.014	0.91

Note: N1 = 405; CR = composite reliability

As presented in Table 1, the AVE values of the five constructs were above the cut-off value of 0.5 (Hair *et al.*, 2010), which indicates that each of the five constructs had convergent validity. To check the discriminant validity between scales, two tests were conducted. Firstly, the analysis of the hypothesized five-factor measurement model showed a good fit to the data ($\chi^2/df = 1.697$, CFI = 0.97, TLI = 0.96, RMSEA = 0.04, SRMR= 0.039) (see Byrne, 2009; Hu & Bentler, 1998). Secondly, the study also compared the hypothesized five-factor model with four alternative models by using a chi-square difference test. As illustrated in Table 2, results of comparisons between Model 1 and alternative models showed that Model 1 provides the best fit to the data. We concluded that the measures in the proposed model were sufficiently discriminant.

Table 2. Comparison of Goodness of Fit between Model 1 and Alternative Models

		χ^2	df	χ^2/df	CFI	TLI	RMSEA	SRMR	$\Delta\chi^2(\text{df})$
Model 1	Five-factor model (preferred model)	366.56	216	1.697	0.97	0.96	0.04	0.039	
Model 2	Four-factor model (HR philosophy + OCE, SHRM orientation, HR practices, HR department effectiveness)	448.63	220	2.039	0.95	0.94	0.05	0.043	$\Delta\chi^2(4) = 82.07,$ $p < 0.001$
Model 3	Three-factor model (HR philosophy + OCE + SHRM orientation, HR practices, HR department effectiveness)	538.421	223	2.414	0.93	0.92	0.06	0.049	$\Delta\chi^2(7) = 171.86,$ $p < 0.001$
Model 4	Two-factor model (HR philosophy + OCE + SHRM orientation, HR practices + HR department effectiveness)	755.323	225	3.357	0.88	0.87	0.08	0.065	$\Delta\chi^2(9) = 388.76,$ $p < 0.001$
Model 5	Single-factor model	1995.745	547	3.649	0.79	0.77	0.08	0.071	$\Delta\chi^2(331) = 1629.19,$ $p < 0.001$

Note: N1 = 405; df: degree of freedom

According to the results of the CFA test for the measurement model, the square root of the AVE for each construct was much larger than its correlation with any other construct (Fornell & Larcker, 1981; Venaik *et al.*, 2005) (see Table 3). These results confirmed that the discriminant validity of the five scales was established.

Common Method Bias: To minimize bias, the study included respondents in the public and private sectors of both manufacturing and service industries (Becker & Gerhart, 1996; Harel & Tzafrir, 1999). The study also utilized “Harman’s single-factor test”, a “common latent factor”, and a “marker variable” to check for common method bias (see Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Harman’s single-factor test had eight factors emerge with values greater than 1; these factors accounted for 64.89% of the variance in the exogenous and endogenous constructs. A common latent factor test presented that no indicator had effects of the common latent factor on their standardized factor loadings of above 0.2 (Chin, 1998). The last test used Bureaucracy as a marker variable (Rafferty & Griffin, 2004), which had statements such as “My work involves a great deal of paperwork and administration”. This marker was not related to all of the constructs in the study. The test showed that the correlation difference of all constructs between, before and after including the marker variable was 0.004. This result indicates that the correlations of exogenous constructs with the endogenous variable could not be accounted for by the marker variable (Lindell & Whitney, 2001). In general, these three tests showed that common method bias was not a major issue in this study.

Results

SPSS ver22 and *AMOS ver22* were used to analyze Sample 1. Descriptive statistics and correlations are reported in Table 3. Control variables were included in testing the hypotheses. The path analysis procedure showed that the proposed model had a good fit ($\chi^2(176) = 280.811$, $\chi^2/df = 1.60$, CFI = 0.97, TL = 0.97, RMSEA = 0.04, SRMR= 0.04)

and these positive fit indices satisfied the guidelines (see Byrne, 2009; Hu & Bentler, 1998). Results showed that ownership types were associated with implemented HR practices ($\beta = -0.09, p < 0.05$) and the effectiveness of the HR department ($\beta = 0.12, p < 0.01$). The path analysis showed that most of the hypotheses were supported, with the exception of hypotheses 5, 7, and 8 (see Figure 2).

Table 3. Descriptive Statistics and Correlations of Latent Variables

	Mean	SD	AVE	HR Philosophy	OCE	SHRM Orientation	Implemented HR Practices	Effectiveness of HR Department
HR Philosophy	3.39 (3.65)	0.80 (0.80)	0.58 (0.63)	<u>0.76</u> <u>(0.79)</u>	0.77***	0.75***	0.71***	0.59***
OCE	3.60 (3.83)	0.78 (0.79)	0.61 (0.63)	0.59***	<u>0.78</u> <u>(0.79)</u>	0.78***	0.69***	0.56***
SHRM Orientation	3.63 (3.81)	0.75 (0.83)	0.60 (0.63)	0.56***	0.67***	<u>0.77</u> <u>(0.79)</u>	0.74***	0.64***
Implemented HR Practices	3.27 (3.67)	0.64 (0.75)	0.61 (0.81)	0.53***	0.55***	0.56***	<u>0.78</u> <u>(0.90)</u>	0.62***
Effectiveness of HR Department	3.00 (3.84)	0.84 (0.78)	0.70 (0.66)	0.47***	0.46***	0.52***	0.61***	<u>0.84</u> <u>(0.81)</u>

Notes: N1 = 405; N2 = 192; SD = standard deviation; *** $p < 0.001$

AVE = average variance extracted

Bold italic underlined values are the square root of AVEs.

Italic numbers in brackets are calculated in Sample 2.

Correlation coefficients between variables in Sample 1 were reported on the lower left diagonal.

Correlation coefficients between variables in Sample 2 were reported on the upper right diagonal.

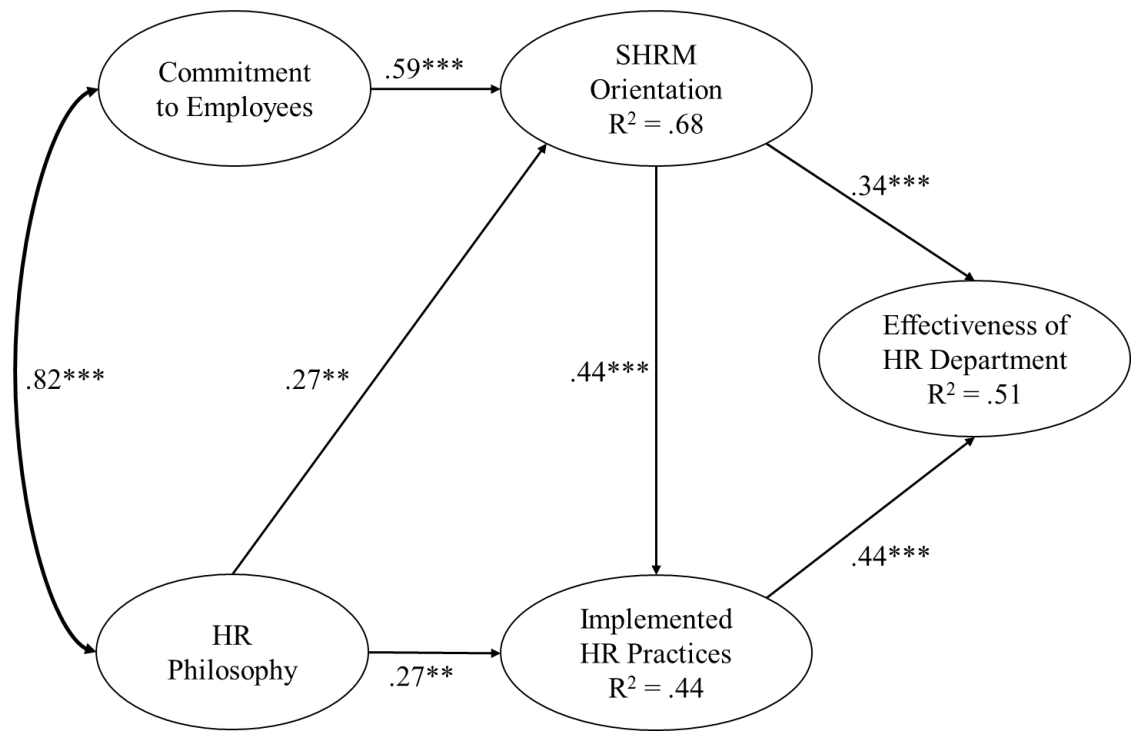


Figure 2. Results of Path Analysis of Proposed Model in Sample 1

Notes: N1 = 405, ** $p < 0.01$, *** $p < 0.001$.

Control variables were included in testing the structural model.

A series of tests on the mediation effects of SHRM orientation and implemented HR practices using *AMOS ver22* were undertaken. The study found that SHRM adoption fully mediated the relationship between HR philosophy and the effectiveness of the HR department. Thus, hypothesis 9a was supported. Hypothesis 9b was also confirmed by the full mediation effect of SHRM orientation on the relationship between OCE and the effectiveness of the HR department. In addition, the findings showed that the relationship between HR philosophy and the HR department's effectiveness was fully mediated by implemented HR practices. As expected, the relationship between OCE and the HR department's effectiveness was fully mediated by implemented HR practices. Therefore, hypothesis 10a and hypothesis 10b were supported. The results of mediation effect tests are reported in Table 4.

Table 4. Results of Mediation Tests on AMOS ver22

	Direct beta without mediation	Direct beta with mediation	Indirect beta	Mediation type observed	Bootstrap LLCI	Bootstrap ULCI
H9a	n.s.	n.s.	0.22***	Full	0.189	0.343
H9b	n.s.	n.s.	0.27***	Full	0.191	0.370
H10a	n.s.	n.s.	0.28***	Full	0.184	0.374
H10b	n.s.	n.s.	0.30***	Full	0.231	0.478

Notes: N1 = 405, *** $p < 0.001$

LLCI: Lower level of confidence intervals

ULCI: Upper level of confidence intervals

Number of bootstrap samples for bias corrected bootstrap confidence intervals: 10,000

Level of confidence for all confidence intervals in outputs: 95.00

n.s. = not significant

To test Hypothesis 11, the study conducted a multiple group analysis regarding ownership types in Sample 1 (see Table 5). The results showed that the effect of HR philosophy on implemented HR practices in privately owned organizations was stronger than in public sector organizations ($z = 2.334, p < 0.05$). Additionally, the relationship between SHRM orientation and implemented HR practices in state-owned organizations was higher than in privately owned organizations ($z = -1.999, p < 0.05$). Finally, the association between implemented HR practices and the effectiveness of the HR department in privately owned organizations was higher than that found in state-owned organizations ($z = 1.925, p < 0.10$). Thus, hypothesis 11 was supported.

Table 5. Results of Multiple Group Analysis

	Public sector Organizations		Private sector Organizations		z-score
	Estimate	<i>p</i>	Estimate	<i>p</i>	
HR Philosophy → SHRM Orientation	0.176	0.467	0.485	0.003	1.059
OCE → SHRM Orientation	0.457	0.000	0.298	0.000	-1.189
HR Philosophy → Implemented HR Practices	-0.140	0.597	0.557	0.000	2.334**
SHRM Orientation → Implemented HR Practices	0.749	0.000	0.321	0.001	-1.999**
SHRM Orientation → Effectiveness of HR Department	0.520	0.000	0.384	0.000	-0.766
Implemented HR Practices → Effectiveness of HR Department	0.348	0.003	0.620	0.000	1.925*

Notes: N1 = 405

***p* < 0.05; **p* < 0.10

In Sample 2, the bootstrapping option in *SmartPLS* software was used to access the significance of PLS parameter estimates (Ringle *et al.*, 2005). The bootstrapping procedure was run until it reached 500 bootstrap resamples. The bootstrapping procedure provides confidence that the results are not sample-specific by using repeated random samples drawn from the data. The model explained 48% of the dependent variable (Effectiveness of HR department). The path model had a global goodness of fit index of 0.64, which indicated that the data have a high level of goodness of fit (Wetzels *et al.*, 2009). The analysis of Sample 2 showed the same results as Sample 1's. As reported in Table 6, three hypotheses (H5, H7 and H8) were not supported. Overall, the results showed that the model was validated and generalized in the context of Vietnam.

Table 6. Results of Path Analysis in Sample 2

Paths	Coefficient	t-statistic	p-value
H1. HR Philosophy \leftrightarrow OCE	0.78	24.42	***
H2. HR Philosophy \rightarrow SHRM Orientation	0.39	4.35	***
H3. OCE \rightarrow SHRM Orientation	0.48	6.33	***
H4. HR Philosophy \rightarrow Implemented HR Practices	0.22	2.53	**
H5. OCE \rightarrow Implemented HR Practices	0.20	1.77	n.s.
H6. SHRM Orientation \rightarrow Implemented HR Practices	0.44	4.32	***
H7. HR Philosophy \rightarrow Effectiveness of HR Dept	0.15	1.13	n.s.
H8. OCE \rightarrow Effectiveness of HR Dept	-0.01	0.04	n.s.
H9. SHRM Orientation \rightarrow Effectiveness of HR Dept	0.31	2.44	**
H10. Implemented HR Practices \rightarrow Effectiveness of HR Dept	0.30	2.81	**

Notes: N2 = 192, ** $p < 0.01$; *** $p < 0.001$

Effectiveness of HR Dept: Effectiveness of HR Department

OCE = organization's commitment to employees

Discussion and Implications

Theoretical Implications

Utilizing the theory of power and influence of the HR department, the study aimed to investigate how an organization's HR orientations determine the effectiveness of HRM implementation. One finding from the study was the positive correlation between HR philosophy and an organization's commitment to employees, indicating the critically contemporaneous presence of these elements in identifying SHRM orientation. When an organization adopts a philosophy that highlights the importance of human resources, a commitment toward its employees, and an orientation of SHRM, these constructs were found to be positively associated with implemented HR practices within the organization. Subsequently, line managers' perceptions of implemented SHRM orientation and HR practices had a positive and statistically significant association with the performance of the HR department. These results give credence to the resource-based argument on how an organization's internal orientations relate to decisions of HRM and the performance of the HR department.

The study provides additional evidence for how an organization's contextual conditions influence perceptions of the HR department's effectiveness (Guest, 2011; Welbourne, 2012; Wright, 2015). Additionally, the study affirms that political and institutional support positively influences the HR department's effectiveness (Ferris *et al.*, 2007; Galang & Ferris, 1997; Galang *et al.*, 1999; Sheehan *et al.*, 2007). Specifically, the present study found that HR philosophy and an organization's commitment to employees, which have previously received little attention in the literature, are crucial antecedents of the decisions made by organizations in terms of their employees. Previous studies have focused solely on HR philosophy or OCE as the driver of the design of HR policies, programs, practices, and processes (Godard & Delaney, 2000; Rodwell & Teo, 2004). The present study affirms that HR philosophy

and OCE are critical contextual conditions in complementarily shaping the common perceptions and feelings of constituents concerning the organizations' treatment and management of its human resources. That is, HR philosophy reflects an organization's recognition of the strategic value of human resources while the nature of an organization's commitment to employees is to convey the organization's belief and actions in valuing and investing in human resources (Lepak *et al.*, 2007; Roca-Puig *et al.*, 2007).

The present study adds to the empirical evidence of positive relationships between HR philosophy and OCE and SHRM adoption and implemented HR practices, which is theorized by the resource-based view. An organization's decision on SHRM orientation is derived from not only its HR philosophy but also its commitment to its employees. In addition, this study provides evidence that implemented HR practices reflect HR philosophy and OCE working through SHRM orientation (Rodwell & Teo, 2004). Such positive effects of HR philosophy and OCE indicate that the integration of HR philosophy and OCE will lead to better decisions on what the organization should do to manage its employees effectively and strategically. In other words, this study lends support to the argument that the organization's philosophy concerning the roles of human resources and what the organization can do to better acknowledge its human resources can direct the development of appropriate HRM systems (Kepes & Delery, 2007; Lee & Miller, 1999; Nishii *et al.*, 2008). The study's results are supportive of Lepak *et al.* (2007) and Rodwell and Teo (2004) who maintained that organizations with a high level of HR focus apply high levels of investment into human resource systems.

While previous studies have urged the HR department to be more efficient in performing its tasks and functions (Guest & Conway, 2011; Welbourne, 2012), the present study provides evidence of circumstances in which this department can be

evaluated to be effective by line managers. Line managers rely on their own experiences and understanding of the organization's practices directed at human resources in order to assess the HR department's performance. HR philosophy and OCE are key features of an organization's HR orientations that can enable line managers to perceive and interpret the SHRM orientation and implemented HR practices in the organization. Nonetheless, these elements do not directly ensure that line managers recognize the HR department's effectiveness. Findings of the full mediation effects of SHRM orientation and implemented HR practices signify that managers are able to recognize the strategic role of HRM and ensure internal orientations reflect the effectiveness of the HR department. This study shows that a strong HRM system will have consistency between its HR orientations, SHRM orientation, and implemented HR practices. This feature enables the HR department to ensure managers and employees realize HR department effectiveness. Ferris *et al.* (2007); Galang and Ferris (1997), Galang *et al.* (1999) and argued that the HR department is perceived to have a legitimate position when the department's activities conform to the organization's orientations and the requirements of its constituents. In terms of this aspect of HRM legitimacy, the study's findings provide additional evidence that achieving a consistent link between these three variables increases the perceptions of the HR department's effectiveness.

Finally, institutional theory argues that the application of HRM is divergent due to ownership types (Gooderham *et al.*, 1999; Zhu *et al.*, 2008). The current study provides evidence that different ownership types can result in different evaluations of the HR department's effectiveness. These results are also supportive of findings from prior studies that have looked at management's awareness of the value of human resources and how the belief in human resources links to HRM in private and public sector organizations (Thang & Quang, 2005b; Truong & van der Heijden, 2009; Vo & Bartram, 2012). Private sector organizations are relatively young and still receive less

support from the Vietnamese government for their operational and management systems. These organizations acknowledge that an investment in human resources is the best way to be more competitive in the global market (Quang & Thang, 2004; Zhu *et al.*, 2008). In recent years, Vietnam's private sector organizations have quickly learnt and adopted modern HR practices due to the introduction of Western philosophies and HR practices from foreign-investment organizations (Zhu *et al.*, 2008; Zhu & Verstraeten, 2013). Therefore, it is not surprising that private sector line managers perceive HR orientations to be associated with implemented HR practices when evaluating the HR department's performance.

By contrast, the operation and management of public sector organizations are influenced and controlled by the government on the historic basis of a centrally planned economic system (Quang & Thang, 2004; Vo & Bartram, 2012). Therefore, people management practices in the public sector are implemented based on the government's policies and strategies rather than on the organization's orientations toward human resources (Thang & Quang, 2005b; Vo & Bartram, 2012). In addition, the bureaucratic management structure found in public sector organizations emphasizes planning and ultimate outcomes rather than processes that show what is done and how things are done well in organizations (Painter, 2003; Zhu *et al.*, 2008). For these reasons, public sector line managers are likely to evaluate the HR department's performance based on what organizations plan to do for human resources rather than what the HR department actually delivers.

Managerial Implications

As Vietnamese work values emphasize cooperation among individuals and collective contributions, an organization's orientations toward human resources become important to ensure effective HRM systems. Yet little attention has been paid to this concern in prior HRM research in Vietnam. This study affirms that, like Western managers,

Vietnamese managers perceive the strategic role of HRM and the HR department's effectiveness. Empirical evidence from this study echoes the importance of managers having shared beliefs concerning human resources because HR philosophy and OCE influence the effectiveness of HRM implementation (Bartram *et al.*, 2009; Thang & Quang, 2005b; Vo & Bartram, 2012). In addition, while prior studies on HRM in Vietnam have encouraged the HR department to be more strategic and effective (e.g., Thang & Quang, 2005b; Vo & Bartram, 2012), this has not been investigated. The current study offers a way in which line managers in Vietnam can perceive the effectiveness of the HR department. That is, line managers can experience what the HR department actually does that symbolizes the organization's HR orientations and the direction of its implementation of SHRM.

The present study offers a consideration of an organization's HR orientations and commitment to employees in developing appropriate and effective management practices. These actions can ensure the HR department's effectiveness. It is necessary for HR practitioners to establish a social climate in which the organization's commitment message about valuing human resources is interpreted consistently among constituents. As line managers are responsible for delivering HR practices to employees, HR practitioners should ensure a connection between HR philosophy and OCE and the development of SHRM orientation and HR practices. Their positive relationships can foster employee loyalty, commitment, and dedication at work. Hence, line managers can deliver consistent messages concerning what the HR department does for the organization and its employees. Thus, the interpretation of HR practices among managers, employees, and the HR department is not likely to be similar in practice (Bowen & Ostroff, 2004; Guest & Conway, 2011). Thus, it is critical for HR practitioners to ensure the consistency and positivity of relationships between these constructs so that all constituents have a shared understanding and feeling about what

value the HR department can add to the organization. Finally, HR managers should consider the ownership type of the organization they work for in order to take initiatives to increase line managers' perceptions of the HR department's effectiveness. Importantly, public sector organizations are urged to be more autonomous and more effective in operating their HRM systems to prevent "brain drain" and to increase efficiency and productivity (Vo & Bartram, 2012; Zhu *et al.*, 2008). Thus, this study suggests that public sector HR managers need to be more active and involved in the strategic planning process in order to integrate HR values within business strategies.

Limitations

This study aimed to investigate the relationship between an organization's HR orientations and the HR department's effectiveness. The study collected perceptions of single respondents who were line managers. Common method bias could have possibly limited the study's findings; however, the three tests in this study showed that this issue was not a problem. Future studies could extend the sample of respondents by collecting information from CEOs, employees, and HR managers. These different informants could give different views of the deployment of HRM in organizations. A variety of different informants would mean that research findings could be triangulated.

In addition, the subjective evaluation of the HR department's effectiveness may be another potential limitation of this study, although subjective evaluation has been used in prior HRM research. Future research should accumulate objective measurements of the HR department's effectiveness, such as staff turnover rates or the effectiveness of recruitment activities. Moreover, this study collected perceptions of line managers from different industrial sectors including manufacturing and service industries. This cross-sectional approach may be an additional potential limitation of the study. Also, ownership types and organizational size were controlled to test the proposed model in the study. Therefore, future studies could try to replicate the study's

findings using specific types of ownership, industries or firm size because HRM may have different meanings in organizations that have different characteristics, such as industries, economic activities, and business strategic orientations. Finally, the line managers in this study were from Ho Chi Minh City. These participants may have had a background in Western philosophies and HR practices as taught in their postgraduate programs. Future studies should examine line managers from other Vietnamese regions in order to validate the value of this research.

Conclusion

The study examined the impact of an organization's HR orientations and commitment to its employees on the effectiveness of HRM implementation in a developing economy. The study has found empirical evidence of the relationships between HR philosophy, OCE with SHRM orientations and implemented HR practices. These variables lead to perceptions of the HR department's effectiveness. The study argues that HR philosophy and OCE are principal components underpinning the adoption of HRM systems. SHRM orientation and implemented HR practices are important mediators of the effectiveness of the HR department. Given our current findings, HR practitioners should consider these positive relationships in order to ensure the HR department's effectiveness is perceived by non-HR managers.

References

- Anderson, J., & Gerbing, D. (1988). Structural equation modeling in practice: A review and recommendation two-step approach. *Psychological Bulletin*, 103, 411-423.
- Armstrong, M. (2011). *Armstrong's handbook of strategic human resource management* (5th ed.). London, Philadelphia: Kogan Page.
- Bae, J., & Lawler, J. J. (2000). Organizational and HRM strategies in Korea: Impact on firm performance in an emerging economy. *The Academy of Management Journal*, 43(3), 502-517.
- Barney, J. B., Ketchen, D. J., & Wright, M. (2011). The future of resource-based theory: Revitalization or decline? *Journal of Management*, 37(5), 1299-1315.
- Bartram, T., Stanton, P., & Thomas, K. (2009). Good morning Vietnam: New challenges for HRM. *Management Research News*, 32(10), 891-904.
- Becker, B., & Gerhart, B. (1996). The impact of human resource management on organizational performance: progress and prospects. *Academy of Management Journal*, 39(4), 779-801.
- Becker, B. E., & Huselid, M. A. (1999). Overview: Strategic human resource management in five leading firms. *Human Resource Management*, 38(4), 287-301.
- Becker, B. E., & Huselid, M. A. (2006). Strategic human resource management: where do we go from here? *Journal of Management*, 32(6), 898-925.
- Bennett, N., Ketchen, D. J., & Schultz, E. B. (1998). An examination of factors associated with the integration of human resource management and strategic decision making. *Human Resource Management*, 37(1), 3-16.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management*, 15(3), 67-94.

- Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-firm performance linkage: The role of the “strength” of the HRM system. *Academy of Management Review*, 29(2), 203-221.
- Boxall, P., & Macky, K. (2009). Research and theory on high-performance work systems: progressing the high involvement stream. *Human Resource Management Journal*, 19(1), 3-23.
- Boxall, P., & Purcell, J. (2011). *Strategy and human resource management* (3rd ed.). Basingstoke, Hampshire: Palgrave Macmillan.
- Boyne, G., Jenkins, G., & Poole, M. (1999). Human resource management in the public and private sectors: An empirical comparison. *Public Administration*, 77(2), 407-420.
- Brandl, J., & Pohler, D. (2010). The human resource department’s role and conditions that affect its development: Explanations from Austrian CEOs. *Human Resource Management*, 49(6), 1025-1046.
- Braun, V. & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.
- Brewster, C. Gollan, P. J., & Wright, P. M. (2013). Guest editors’ note: Human resource management and the line. *Human Resource Management*, 52(6), 829-838.
- Brislin, R. W. (1970). Back translation for cross-cultural research. *Journal of Cross-Cultural Psychology*, 1(3), 185-216.
- Buller, P. F., & McEvoy, G. M. (2012). Strategy, human resource management and performance: Sharpening the light. *Human Resource Management Review*, 22(1), 43-56.
- Butler, J., Ferris, G., & Napier, N. (1991). *Strategy and human resources management*. Cincinnati: South-Western.

- Byrne, B. M. (2009). *Structural equation modelling with AMOS: Basic concepts, applications, and programming* (2nd ed.). Routledge Academic.
- Chin, W. W. (1998). The partial least squares modeling approach to structural equation modelling. In *Modern Methods for Business Research* (Ed.). G. A. Marcoulides, Mahwah, NJ: Lawrence Erlbaum Associates (pp. 295–336).
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Lawrence Erlbaum Associates, Publisher. New Jersey.
- Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *The Academy of Management Journal*, 39(4), 949-969.
- Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802-835.
- Devanna, M. A., Fombrun, C., Tichy, N., & Warren, L. (1982). Strategic planning and human resource management. *Human Resource Management*, 21(1), 11-17.
- Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived organizational support and employee diligence, commitment, and innovation. *Journal of Applied Psychology*, 75(1), 51-59.
- Faul, F., Erdfelder, E., Buchner, A., & Lang, A-G. (2009). Statistical power analyses using G* Power 3.1: Tests for correlation and regression analyses. *Behavior Research Methods*, 41(4), 1149-1160.
- Ferris, G. R., & Judge, T. A. (1991). Personnel/human resources management: A political influence perspective. *Journal of Management*, 17(2), 447-488.
- Ferris, G. R., Perrewe, P. L., Ranft, A. L., Zinko, R., Stoner, J. S., Brouer, R. L., & Laird, M. D., (2007). Human resources reputation and effectiveness. *Human Resource Management Review*, 17(2), 117-130.

- Fornell, C., & Larcker, D.F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Galang, M. C., & Ferris, G. R. (1997). Human resource department power and influence through symbolic action. *Human Relations*, 50(11), 1043-1066.
- Galang, M. C., Elsik, W., & Russ, G. S. (1999). Legitimacy in human resources management. *Research in Personnel and Human Resources Management*, 17, 41-79.
- Gennard, J., & Kelly, J. (1997). The unimportance of labels: the diffusion of the personnel/ HRM function. *Industrial Relations Journal*, 28(1), 27 – 42.
- Godard, J., & Delaney, J. (2000). Reflections on the “high performance” paradigm’s implications for industrial relations as a field. *Industrial and Labor Relations Review*, 53(3), 482-502.
- Golden, K. A., & Ramanujam, V. (1985). Between a dream and a nightmare: on the integration of the human resource management and strategic business planning processes. *Human Resource Management*, 24(4), 429-452.
- Gooderham, P. N., Nordhaug, O. & Ringdal, K. (1999). Institutional and rational determinants of organizational practices: human resource management in European firms. *Administrative Science Quarterly*, 44(3), 507-531.
- Gooderham, P., Nordhaug, O. & Ringdal, K. (2006). National embeddedness and calculative human resource management in US subsidiaries in Europe and Australia. *Human Relations*, 59(11), 1491-1513.
- Guest, D. E. (2011). Human resource management and performance: still searching for some answers. *Human Resource Management Journal*, 21(1), 3-13.

- Guest, D., & Conway, N. (2011). The impact of HR practices, HR effectiveness and a 'strong HR systems' on organisational outcomes: a stakeholder perspective. *The International Journal of Human Resource Management*, 22(8), 1686-1702.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E., (2010). *Multivariate data analysis* (7th ed.). Pearson Prentice Hall, New Jersey.
- Harel, G. H., & Tzafrir, S. S. (1999). The effect of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38(3), 185-200.
- Hu, L. T., & Bentler, P. M. (1998). Fit indices in covariance structure modeling: Sensitivity to underparameterized model misspecification. *Psychological Methods*, 3(4), 424-453.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity and corporate financial performance. *The Academy of Management Journal*, 38(3), 635-672.
- Kepes, S., & Delery, J. (2007). HRM systems and the problem of internal fit. In P. Boxall, J. Purcell & P. Wright (Eds), *The Oxford handbook of human resource management*. Oxford: Oxford University Press (pp. 385-404).
- Khilji, S. E. (2002). Modes of convergence and divergence: An integrative view of multinationals in Pakistan. *The International Journal of Human Resource Management*, 13(2), 232-253.
- Khilji, S. E., & Wang, X. (2006). 'Intended' and 'implemented' HRM: the missing linchpin in strategic human resource management research. *The International Journal of Human Resource Management*, 17(7), 1171-1189.
- Kulik, C. T., & Perry, E. L. (2008). When less is more: the effect of devolution on HR's strategic role and construed image. *Human Resource Management*, 47(3), 541-558.

- Lado, A. A., & Wilson, M. C. (1994). Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of Management Review*, 19(4), 699-727.
- Lam, L. W., & White, L. P. (1998). Human resource orientation and corporate performance. *Human Resource Development Quarterly*, 9(4), 351-364.
- Lee, J., & Miller, D. (1999). People matter: Commitment to employees, strategy and performance in Korean firms. *Strategic Management Journal*, 20(6), 579-593.
- Lengnick-Hall, M., Lengnick-Hall, C. A., Andrade, L., & Drake, B. (2009). Strategic human resource management: the evolution of the field. *Human Resource Management Review*, 19(2), 64-85.
- Lepak, D. P., & Snell, S. A. (2002). Examining the human resource architecture: the relationships among human capital, employment and human resource configurations. *Journal of Management*, 28(4), 517-543.
- Lepak, D. P., Taylor, M. S., Tekleab, A., Marrone, J., & Cohen, D. (2007). An examination of the use of high investment HR systems for core and support employees. *Human Resource Management*, 46(2), 223-246.
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86(1), 114-121.
- MacDuffie, J. P. (1995). Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. *Industrial & Labor Relations Review*, 48(2), 197-221.
- Miller, D., & Lee, J. (2001). The people make the process: commitment to employees, decision making, and performance. *Journal of Management*, 27(2), 163-189.
- Monks, K., Kelly, G., Conway, E., & Flood, P. (2013). Understanding how HR systems work: the role of HR philosophy and HR processes. *Human Resource Management Journal*, 23(4), 379-395.

- Muse, L. A., Rutherford, M. W., Oswald, S. L., & Raymond, J. E. (2005). Commitment to employees: does it help or hinder small firm performance? *Small Business Economics*, 24(2), 97-111.
- Ngo, H., Lau, C., & Foley, S. (2008). Strategic human resource management, firm performance, and employee relations climate in China. *Human Resource Management*, 47(1), 73-90.
- Nguyen, D., Teo, S., & Mylett, T. (2013). An exploration of the roles of HR departments in Vietnam. *Journal of General Management*, 39(2), 83-113.
- Nishii, L. H., Lepak, D. P., & Schneider, B. (2008). Employee attributions of the “why” of HR practices: their effects on employee attitudes and behaviors, and customer satisfaction. *Personnel Psychology*, 61(3), 503-545.
- Organ, D. W. (1990). The motivational basis of organizational citizenship behavior. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (Vol 12). JAI Press, Greenwich, CT (pp. 43-72).
- Osterman, P. (1994). How common is workplace transformation and how adopts it? *Industrial and Labor Relations Review*, 47(2), 173-188.
- Paauwe, J., Wright, P., & Guest, D. (2013). HRM and performance: what do we know and where we should go? In D. E. Guest, Paauwe, J. and Wright, P., *HRM and performance: achievements and challenges*. Chichester, West Sussex: Wiley (pp. 1-13).
- Painter, M. (2003). Public administration reform in Vietnam: Problems and prospects. *Public Administration and Development*, 23, 259-271.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommendation remedies. *Journal of Applied Psychology*, 88(5), 879-903.

- Posthuma, R. A., Campion, M. C., Masimova, M., & Campion, M. A. (2013). A high performance work practices taxonomy: integrating the literature and directing future research. *Journal of Management*, 39(5), 1184-1220.
- Purcell, J., & Hutchinson, S. (2007). Front-line managers as agents in the HRM-performance causal chain: theory, analysis and evidence. *Human Resource Management Journal*, 17(1), 3-20.
- Quang, T., & Thang, L. C. (2004). HRM in Vietnam. In P. Budhwar (Ed.), *Managing human resources in Asia-Pacific*. London and New York: Routledge (pp. 173-199).
- Rafferty, A. E., & Griffin, M. A. (2004). Dimensions of transformational leadership: conceptual and empirical extensions. *Leadership Quarterly*, 15(3), 329-354.
- Ringle, C., Wende, S., & Will, A. (2005). Smart-PLS Version 2.0 M2. <http://www.smartpls.de>
- Roca-Puig, V., Escrig-Tena, A. B., & Bou-Llusar, J. C. (2004). A methodological approach to studying the fit between commitment management and competitive strategy. *Management Research*, 2(2), 161-174.
- Roca-Puig, V., Beltran-Martin, I., Escrig-Tena, A. B., & Bou-Llusar, J. C. (2007). Organizational commitment to employees and organizational performance. *Personnel Review*, 36(6), 867-886.
- Rodwell, J. J., & Teo, S. T. T. (2004). Strategic HRM in for-profit and non-profit organizations in a knowledge-intensive industry. *Public Management Review*, 6(3), 311-331.
- Ryu, S., & Kim, S. (2013). First-line manager's HR involvement and HR effectiveness: the case of South Korea. *Human Resource Management*, 52(6), 947-966.
- Schuler, R. A. (1992). Strategic human resources management: linking the people with the strategic needs of the business. *Organizational Dynamics*, 21(1), 18-32.

- Schuster, F. E. (1982). A tool for evaluating and controlling the management of human resources. *Personnel Administrator*, 27, 63–69.
- Schuster, F. E. (1998). *Employee-centered management: A strategy for high commitment and involvement*. Westport, CT: Quorum Books.
- Sheehan, C., Cooper, B., Holland, P., & De Cieri, H. (2007). The relationship between HRM avenues of political influence and perceived organizational performance. *Human Resource Management*, 46(4), 611-629.
- Shore, L. M., & Wayne, S. J. (1993). Commitment to employee behavior: Comparison of affective commitment and continuance commitment with perceived organizational support. *Journal of Applied Psychology*, 78(5), 774-780.
- Snell, S. A., & Dean, J. W. (1992). Integrated manufacturing and human resource management: a human capital perspective. *Academy of Management Journal*, 35(3) 467-504.
- Snell, S., & Youndt, M. (1995). Human resources management and firm performance: Testing a contingency model of executive controls. *Journal of Management*, 21(4), 711-738.
- Teo, S. T. T. (2002). Effectiveness of a corporate HR department in an Australian public sector entity during commercialization and corporatization. *The International Journal of Human Resource Management*, 13(1), 89-105.
- Teo, S. T. T., & Rodwell, J. J. (2007). To be strategic in the new public sector, HR must remember operational activities. *Human Resource Management*, 46(2), 265-284.
- Teo, S. T.T., Le Clerc, M., & Galang, M. C. (2011). Human capital enhancing HRM systems and frontline employees in Australian manufacturing SMEs. *The International Journal of Human Resource Management*, 22(12), 2522-2538.

- Thang, L. C., & Quang, T. (2005b). Antecedents and consequences of dimensions of human resource management practices in Vietnam. *The International Journal of Human Resource Management*, 16(10), 48-64.
- Truong, Q., & van der Heijden, B.I.J.M. (2009). The changing face of human resource management in Vietnam. In C. Rowley & Q. Truong (Ed.), *The changing face of Vietnamese management*. New York: Routledge (pp. 24-49).
- Truss, C., Gratton, L., Hope-Hailey, McGovern, P., & Stiles, P. (1997). Soft and hard models of human management: a reappraisal. *Journal of Management Studies*, 34(1), 53-73.
- Truss, C. (2001). Complexities and controversies in linking HRM with organizational outcomes. *Journal of Management Studies*, 38(8), 1121-1149.
- Truss, C., Gratton, L., Hope-Hailey, V., Stiles, P., & Zaleska, J. (2002). Paying the piper: choice and constraint in changing HR functional role. *Human Resource Management Journal*, 12(2), 39-63.
- Tsui, A. S. (1990). A multiple-constituency model of effectiveness: an empirical examination at the human resource subunit level. *Administrative Science Quarterly*, 35(3), 458-483.
- Ulrich, D., Brockbank, W., Johnson, D., Sandholtz, K., & Younger, J. (2009). *HR competencies mastery at the intersection of people and business*. Alexandria: The Society for Human Resource Management.
- Venaik, S., Midgley, D. F., & Devinney, T. M. (2005). Dual paths to performance: the impact of global pressures on MNC subsidiary conduct and performance. *Journal of International Business Studies*, 36(6), 655-675.
- Vo, A., & Bartram, T. (2012). The adoption, character and impact of strategic human resource management: a case study of two large metropolitan Vietnamese public

- hospitals. *The International Journal of Human Resource Management*, 23(18), 3758-3775.
- Wayne, S. J., Shore, L. M., & Liden, R. (1997). Perceived organizational support and leader-member exchange. *Academy of Management Journal*, 40(1), 82-111.
- Welbourne, T. M. (2012). Editor-in-chief's note: HRM: the field of dreams. *Human Resource Management*, 51(3), 309-311.
- Wetzels, M., Odekerken-Schröder, G., & van Oppen, C. (2009). Using PLS path modeling for assessing hierarchical construct models: Guidelines and empirical illustration. *MIS Quarterly*, 33(1), 177-195.
- Whitener, E. M. (2001). Do 'high commitment' human resource practices affect employee commitment? A cross-level analysis using hierarchical linear modeling. *Journal of Management*, 27(5), 515-535.
- Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2), 295-320.
- Wright, P. M., McMahan, G. C., McCormick, B., & Sherman, W. S. (1998). Strategy, core competence, and HR involvement as determinants of HR effectiveness and refinery performance. *Human Resource Management*, 37(1), 17-29.
- Wright, P. M., McMahan, G. C., Snell, S. A., & Gerhart, B. (2001). Comparing line and HR executives' perceptions of HR effectiveness: services, roles, and contributions. *Human Resource Management*, 40(2), 111-123.
- Wright, P. M. (2015). People, practices and performance: Problems and prospects. Paper presented at the Australia and New Zealand Academy of Management, University of Otago, Dunedin, New Zealand, December.
- Youndt, M. A., Snell, S. A., Dean, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy and firm performance. *Academy of Management Journal*, 30(4), 836-866.

Zhu, Y., Collins, N., Webber, M., & Benson, J. (2008). New forms of ownership and human resource practices in Vietnam. *Human Resource Management*, 47(1), 157-175.

Zhu, Y., & Verstraeten, M. (2013). Human resource management practices with Vietnamese characteristics: a study of managers' responses. *Asia Pacific Journal of Human Resources*, 51(2), 152-174.

**Paper 4 – LINE MANAGERS’ PERCEPTIONS OF HR DEPARTMENT
EFFECTIVENESS AND ORGANIZATIONAL PERFORMANCE IN VIETNAM**

This refereed conference paper (blind review) was presented at Asia Academy of Management conference, 22–24 June 2015, Hong Kong, China.

CHAPTER 7/ PAPER 4

LINE MANAGERS' PERCEPTIONS OF HR DEPARTMENT EFFECTIVENESS AND ORGANIZATIONAL PERFORMANCE IN VIETNAM

Abstract Most research on the effectiveness of the human resource (HR) department has been undertaken in Western economies. There are few empirical studies on perceptions of the HR department's effectiveness in developing economies such as Vietnam. This study examines how line managers can recognize the HR department's contribution to the organization. Survey data were collected from 484 line managers in Vietnamese organizations. A structural equation modeling approach was used to analyze the quantitative data. The study concludes that the organization's strategic orientations determine the types of HR roles, strategic involvement and influence of the HR department as well as its effectiveness. Line managers perceive their HR department to be effective when the HR department contributes to the core competence of the organization. HR department effectiveness and core competence both have a positive effect on perceived overall performance of the organization.

Key words: strategic orientations, HR department, effectiveness, line managers, Vietnam

Introduction

Global competition and technological growth have reinforced the need to utilize an organization's human resources more effectively and strategically in order to sustain its competitive advantage (Barney *et al.*, 2011; Schuler, 1992). Research on strategic human resource management (SHRM) has shown the significant contribution of HRM to the overall organizational performance when the organization aligns HRM with its business strategies (Huselid, 1995; Paauwe *et al.*, 2013). However, there is still a lack of understanding on the complex relationship between HRM and organizational performance (Wright, 2015). Also, there are few empirical studies that have examined the HR department's effectiveness in the transformation of HR value to organizational performance (for exceptions, see Ryu & Kim, 2013; Teo *et al.*, 2011; Wright *et al.*, 1998). Research on HR roles by Ulrich (1997) demonstrates the HR department's activities and its contribution to the organization; however, this HR roles framework does not show the determinants of the HR department's roles and their outcomes. Recently, Guest (2011) and Wright (2015) emphasized the need for an examination of organizational factors that can influence the evaluation of HRM effectiveness. Moreover, while there has been much research on HRM in Western economies, little has been written about the generalizability of these findings to organizations in developing economies like Vietnam's.

There has been a rapid growth in research on HRM in Vietnam since the country reformed its economic system. The escalating interest in studying HRM in Vietnam can be ascribed to its dynamic economy with a young, literate labor force, and the rising attraction of foreign direct investment into the country (Bartram *et al.*, 2009; Budhwar & Debrah, 2009). Over the last three decades, the introduction and diffusion of modern and advanced HR practices from foreign investment organizations have gradually affected and changed HR practices in local organizations. These influences have led to a

mix of traditional and modern ways of thinking and managing employees (Truong & van der Heijden, 2009; Zhu *et al.*, 2008). This fact has resulted in a good number of quantitative and qualitative studies that have paid attention to HR practices and their associations to the overall performance of Vietnamese organizations (Thang & Quang, 2005b; Vo & Bartram, 2012; Zhu *et al.*, 2008). Based on prior research findings, there is an assumption that the recognition and integration of the strategic role and contribution of the HR department to organizational strategy will predict better performance of organizations (Bartram *et al.*, 2009; Vo & Bartram, 2012).

In recent years, the HR department in Vietnam has been required to show evidence of its capabilities to help an organization to improve its organizational performance (Quang *et al.*, 2008; Truong & van der Heijden, 2009). However, an examination of how the HR department contributes to the HRM-performance linkage is less considered. This research gap is in line with the question of how to consolidate the position of the HR department in Western economies (Truss *et al.*, 2002; Welbourne, 2012). To do that, the HR department has to gain its power and influence among other departments in the process of strategic decision making (Galang & Ferris, 1997; Uen *et al.*, 2012; Welbourne, 2012). While there is empirical evidence of power and influence of the HR department in Western countries such as Australia (Sheehan *et al.*, 2007; Sheehan *et al.*, 2014; Teo & Rodwell, 2007), little has been written about how the HR department in Vietnamese organizations can utilize its power and influence to add value to the HRM-performance relationship.

Line managers are one of the key stakeholders in the HRM-performance relationship. They are responsible and accountable for implementing HRM activities and for the effectiveness of HRM implementation in their departments (Kulik & Perry, 2008; Ulrich & Dulebohn, 2015). While studies on line managers' perceptions of HRM implementation have been undertaken in Western economies, little is known about the

view of line managers in Vietnam toward the performance of the HR department within its organization. As there has been little research that examines the perceptions of line managers towards the effectiveness of HRM implementation (Conway & Monks, 2010; Guest & Conway, 2011), the current study subsequently aims to understand how line managers in Vietnam perceive the HR department's added value in the process of strategic management.

Power and influence of the HR department is not a new topic in the field of HRM and many studies have examined what constitutes power and influence (e.g., Aldrich *et al.*, 2015; Reichel & Lazarova, 2013; Sheehan *et al.*, 2014). This topic has become important because the HR department receives less support and less preference from line managers than that received by other departments (Cappelli, 2015; Welbourne, 2012). In addition to existing studies on this topic, the present study makes several contributions to the literature concerning power and influence of the HR department. Firstly, while other studies have focused on the influential and political behaviors of individuals to imply power and influence of the HR department (e.g., Ferris & Judge, 1991; Sheehan *et al.*, 2014), this study generalizes Galang and Ferris's (1997) theoretical framework of the HR department's power and influence. Secondly, this study is a response to Wright's (2015) recent call for an examination of organizational factors by adding empirical evidence of the contribution of the HR department to the link between strategy, people, and performance. Thirdly, this study concentrates on the organization's strategic orientations that can be a determinant of perceptions of the HR department's effectiveness, a construct that has received less attention in the literature. Lastly, as line managers often fail to see the contribution of the HR department in the overall outcomes of the organization (Teo & Rodwell, 2007; Tsui, 1990), this study shows how line managers are more likely to perceive the added

value of the HR department when the department holds higher strategic status in the organization.

Literature Background

Theory of Power and Influence of the HR Department

The present study applies the theory of the HR department's power and influence as developed by Galang and Ferris (1997). Galang and Ferris (1997) argued that the HR department has to use symbolic actions such as its strategic involvement in order to increase its power and influence in the organization. These actions can shape a shared understanding of the strategic role of HRM as well as maintain positive perceptions of the HR department's contribution within the organization (Ferris *et al.*, 2007; Galang & Ferris, 1997). Empirical evidence shows symbolic actions can be ascertained by the roles and strategic involvement of the HR department. These factors signify the HR department's operational and strategic efforts to increase its influence (Sheehan *et al.*, 2007; Teo & Rodwell, 2007; Ulrich, 1997; Wright *et al.*, 1998). These symbolic actions give the HR department formal authority and access to scarce organizational resources (Ferris *et al.*, 2007; Galang & Ferris, 1997). The result of power and influence is the key stakeholders' acceptance of the HR department's effectiveness because the HR department can show broader organizational benefits (Galang & Ferris, 1997; Teo & Rodwell, 2007).

HR departments in Vietnam have been required to possess HRM-related knowledge and skills to perform their tasks effectively and to have good coordination and communication skills with other departments (Quang & Thang, 2004; Thang & Quang, 2005b). Thus, power and influence theory advocated by Ferris and his colleagues (Galang & Ferris, 1997; Ferris *et al.*, 2007) is deemed to be appropriate in examining how the HR department can contribute to organizational performance through the department's tasks, functions, and interactions and communications with

other departments. There is empirical evidence to show that an effective HR department is one that gains power and influence among key stakeholders (Brandl & Pohler, 2010; Enns & McFarlin, 2003). This aspect is essential for the HR department in Vietnam as scholars have questioned the status and influence of the department in the organization (Quang & Thang, 2004; Truong & van der Heijden, 2009).

The investigation into antecedents of the effectiveness of the HR department is based on different theoretical perspectives. For instance, recent studies have examined the impact of the perceptions and evaluation of CEOs and line managers on the strategic participation of HR executives on the board of directors (e.g., Caldwell, 2011; Sheehan *et al.*, 2007). Other studies have shown the impact of HRM outsourcing and transferability to the line management on the perceptions of the HR department's performance (e.g., Ryu & Kim, 2013; Sheehan & Cooper, 2011). As human resources are a crucial source of a competitive advantage (Barney *et al.*, 2011; Schuler, 1992), few empirical studies have shown that an organization's strategic orientations play a key role in determining the way organizations utilize their human resources and identify the added value of the HR department (Teo *et al.*, 2011; Wright *et al.*, 1998). The relationship between an organization's strategic orientations and the effectiveness of the HR department is the interest of the present study because this link is still under-researched (Teo *et al.*, 2011).

Strategic Orientations and HR Department Effectiveness

An organization's strategic orientations reflect the organization's pursuit, achievement, and maintenance of its competitive advantage (Morgan & Strong, 2003). Several studies highlight the need to link HRM activities with an organization's strategic orientations (Golden & Ramanujam, 1985; Wright *et al.*, 1998). However, the level to which HRM can be linked into business strategies is dependent on the level of an organization's strategic orientations (Buyens & De Vos, 2001). For instance, when an organization

pursues a low-cost strategy, there is minimal use of employee skills, capabilities, and discretionary behaviors as these are perceived as a management cost to the organization (MacDuffie, 1995; Wright *et al.*, 1998). In addition to this HRM-strategy link, the HR department's status is different among organizations that pursue different strategic orientations (Schuler, 1992; Ulrich & Dulebohn, 2015). As noted in previous studies (e.g., Lam & White, 1998; Ulrich & Dulebohn, 2015; Wright *et al.*, 1998), there is little support for the integration of HRM with business strategy when line managers regard HRM as an administrative/personnel function that has no influence and involvement in the strategic management process.

By contrast, strategic orientations that include innovation and breadth strategies will require quick and frequent modification, and improvement of products/services and business procedures. These strategic orientations aim to effectively deploy resources to adapt to rapid changes in the business environment (Huselid, 1995; Sanchez, 1995). There will be a maximization of employees' skills, knowledge and discretionary behaviors to achieve breadth strategy or innovation strategy. Such strategic orientations emphasize the strong link between HRM and business strategies (Barney *et al.*, 2011; MacDuffie, 1995; Sanchez, 1995). An empirical study by Wright *et al.* (1998) showed that the HR department has a higher level of strategic involvement when the organization pursues an innovation strategy. In this instance, the HR department will have a strategic role in the planning and implementation of business strategies rather than having purely an administrative function (Ulrich & Dulebohn; 2015; Wright *et al.*, 1998). Therefore, we expect that the extent to which employee contribution is of central importance in an organization's strategic orientations, including breadth and innovation strategies, will determine the roles, involvement, and the influence of the HR department within the organization (Buyens & de Vos, 2001; Lam & White, 1998; Teo *et al.*, 2011).

An organization's strategic orientations have been found to influence the type of HRM systems employed, as well as the strategic involvement and effectiveness of the HR department (Teo *et al.*, 2011; Wright *et al.*, 1998). Line managers' acceptance of HRM functions has been shown to be positively associated with their evaluation of HRM effectiveness (Guest & Conway, 2011). Line managers' perceptions of the effectiveness of HRM rely on their experiences and satisfaction with HR activities delivered by the HR department (Ryu & Kim, 2013; Teo & Rodwell, 2007). If line managers believe that HR activities are effective, they will help to enact HR practices and influence perceived organizational performance (Brandl, Madsen & Madsen, 2009; Chen *et al.*, 2011). Line managers' perceptions play an important role in power and influence of the HR department from an institutional perspective. Institutional theorists address the adoption of HRM in organizations as "institutionalized" in association with perceptions of managers within their settings (Golden & Ramanujam, 1985; Scott, 2008). Line managers should be capable of evaluating the effectiveness of HR departments because they have the relevant knowledge and understanding of HRM's contribution to their organization's day-to-day operation (Tsui, 1990; Teo & Rodwell, 2007). Therefore, it is essential to examine line managers' perceptions of HRM because they can influence the roles and status of the HR department (e.g., Conway & Monks, 2010; Teo & Rodwell, 2007; Wright *et al.*, 2001) and organizational performance (e.g., Azmi, 2010).

Roles and Status of the HR department

Research has shown that organizations with an alignment between HRM and business strategy operate effectively and efficiently (Bowen *et al.*, 2002; Ulrich & Dulebohn, 2015). When organizations commit to a particular strategic orientation that makes the most of the contribution of human resources, the HR department can be involved and have more influence in the strategic management process (Golden & Ramanujam, 1985;

Wright *et al.*, 1998). To add value in this process, the HR department plays multiple roles, including administrative and strategic roles (Caldwell, 2011; Ulrich, 1997). Thus, performing various roles will help the HR department to meet stakeholder expectations of an organization's operational focus and strategic orientations (Ulrich, 1997; Wright *et al.*, 1998).

SHRM research has attempted to examine the nature and changing roles of the HR department in response to the utilization of human resources (Caldwell, 2011; Ulrich, 1997; Ulrich *et al.*, 2009). Among different perspectives of HR roles, Ulrich's (1997) framework offers one of the most systematic ways of capturing the emerging roles that the HR department has to perform contemporaneously (Caldwell, 2003; Pritchard, 2010; Ulrich & Brockbank, 2005). Ulrich (1997) stated that the HR department has four roles: administrative expert, employee champion, strategic partner, and change agent. These four roles allow the HR department to cast off its administrative focus and to contribute to the organization's strategy and organizational performance (Kulik & Perry, 2008; Wright *et al.*, 1998). These roles also give the HR department an opportunity to convince key stakeholders to recognize the benefits of HR-strategy linkage (Kulik & Perry, 2008; Teo & Rodwell, 2007).

In Vietnam, there exists both old and new thinking in terms of people management. This combination emphasizes the need to clarify the HR department's functions and tasks (Quang & Thang, 2004; Quang *et al.*, 2008). Ulrich's (1997) four-role framework of the HR department is appropriate for the contemporary conditions of Vietnamese organizations. This framework describes operational and strategic activities that the HR department can do to interact better with employees at the operational level and other managers at the strategic level (Quang *et al.*, 2008). In addition, empirical evidence in Nguyen *et al.*'s (2013) study shows that the four roles and a role as talent manager are perceived to be important for Vietnamese organizations' survival and

competitiveness Therefore, Ulrich's framework of these roles is an apt model along with the growing recognition of the critical role of HRM in the overall performance of Vietnamese organizations (Nguyen *et al.*, 2013; Quang *et al.*, 2008).

The HR department's strategic involvement is the involvement of the HR executive during the strategic formulation and decision-making processes (Golden & Ramanujam, 1985). Empirical studies have highlighted that the involvement of senior HR executives during the strategic planning process helps integrate HRM into the business strategy and align people management policy with the effectiveness of the strategy delivery (Caldwell, 2011; Sheehan *et al.*, 2007; Wright & Snell, 2005). While the roles of the HR department aim to satisfy expectations and demands of stakeholders (Truss *et al.*, 2002), the involvement of a senior HR executive on the board of directors can increase the recognition of the HR department's important strategic function (Galang & Ferris, 1997; Teo & Rodwell, 2007). This idea is well-matched with a need to develop an awareness of the critical role of the HR department in Vietnam (Quang & Thang, 2004; Quang *et al.*, 2008).

In Vietnam, prior research suggests that the HR department needs to play an active role in assisting senior executives in the strategic planning process as well as handling people-related issues dynamically. The symbolic actions that are HR roles and strategic involvement enable the HR department to cultivate the awareness among senior executives that human capital is one of the most important ingredients for increasing organizational performance (Thang & Quang, 2005b; Quang *et al.*, 2008; Vo & Bartram, 2012). The involvement and influence of the HR department in the strategic management process are, therefore, perceived to be a means by which the HR department can show its effectiveness among line managers (Nguyen *et al.*, 2013). However, empirical evidence of the proposition made by Galang and Ferris (1997) that

symbolic actions of the HR department can increase perceptions of its influence and effectiveness, has been limited in HRM research in Vietnam.

In accord with the above arguments, the current research proposes the following hypotheses:

Hypothesis 1: An organization's strategic orientations will be positively associated with the effectiveness of HR roles (1a), strategic involvement (1b), the influence of the HR department (1c), and the effectiveness of the HR department (1d).

Hypothesis 2: The effectiveness of HR roles is positively associated with strategic involvement of the HR department (2a), the influence of the HR department (2b), and the effectiveness of the HR department (2c).

Hypothesis 3: The involvement of the HR department in the strategic management process will be positively associated with the HR department's influence (3a) and its effectiveness (3b).

Hypothesis 4: The HR department's influence will be positively associated with the HR department's effectiveness.

Strategic Orientations, HR Department Effectiveness and Organizational Outcomes

The outcome of the roles and status of the HR department is its effectiveness. There have been calls for an examination of the consequent outcomes of having an effective HR department (Thompson, 2011; Welbourne, 2009, 2012; Welbourne & Cyr, 1999; Wright *et al.*, 1998). However, empirical studies on the consequences of the effectiveness of the HR department are scarce, with the exception of Sheehan *et al.* (2007) and Teo *et al.* (2011) and. Simultaneously, little is known of the added value of the HR department in Vietnamese organizations because most studies have focused on HR practices and their resulting impact on firm performance (e.g., Thang & Quang, 2005a; Thang & Quang, 2011). In responding to recent arguments for recognition of the

strategic role of the HR department, it is important to examine what the HR department can do for the organization.

Galang and Ferris (1997) suggested that the impact of the HR department's performance can be understood by examining its power and influence. The present study responds to Galang and Ferris's (1997) suggestion by examining if the HR department can influence organizational outcomes through its power and influence. There are different aspects of organizational outcomes that can be used to measure the performance of the HR department, such as core competence (e.g., Wright *et al.*, 1998) and perceived overall performance (Delaney & Huselid, 1996; Fu *et al.*, 2016; Teo *et al.*, 2014). In Vietnam, it has been shown that workforce capability and an organization's performance can be used to measure the consequent outcomes of the HR department's performance (Bartram *et al.*, 2009; Quang & Thang, 2004).

An organization's core competence is defined as "a bundle of skills and technologies that represents the sum of learning across individual skill sets and individual organizational units" (Wright *et al.*, 1998, p. 20). An organization with a core competence is likely to be more competitive because of a uniquely skilled workforce, efficient production system, and the ability to develop a new business (Wright *et al.*, 1998). Creating a core competence for an organization is the primary outcome of the HR department's performance (Tsui, 1990). The contribution of the HR department in this work is its effectiveness in matching HRM activities with an organization's demands and resources (Schuler, 1992; Wright & McMahan, 1992).

Schuler and Jackson (1987) and Wright, Kroll, Pray, and Lado (1995) argued that the common characteristic of higher-performing organizations is a high level of an organization's core competence that is consistent with strategic orientations. For instance, a strategic orientation toward innovation aims to provide innovative products to customers which, in turn, requires more human input as a core competence (Bao *et*

al., 2012; Huselid, 1995; Sanchez, 1995). Organizations exhibit a higher level of overall performance when they pursue a strategy that matches their current employee competencies. Strategic orientations determine an organization's core competence in order to differentiate itself from its competitors and to produce high-quality products at low costs (Wright *et al.*, 1995). Strategic orientations also help an organization to better respond to its business environment, direct business plans, and connect all functional activities to enhance the organizational performance (Morgan & Strong, 2003; Wright *et al.*, 1998).

Hypothesis 5: An organization's strategic orientations will be positively related to core competence (5a) and organizational performance (5b).

Hypothesis 6: An organization's core competence will be positively related to organizational performance.

There is an emphasis on the value of human resources to the business success of Vietnamese organizations (Bartram *et al.*, 2009; Zhu & Verstraeten, 2013). This emphasis implies the creation of a core competence for Vietnamese organizations that includes a capable and competitive workforce (Thang & Quang, 2005b; Truong & van der Heijden, 2009). Scholars such as Bartram *et al.* (2009), Quang *et al.* (2008), and Vo and Bartram (2012) have suggested that the HR department should play a key role in the development, utilization, and enhancement of workforce competencies.

There has been a growing body of knowledge on the relationship between HR practices and organizational performance (Paauwe *et al.*, 2013). In order to transform its administrative function into a strategic role, the HR department must have the ability to adopt a strategic focus and to develop HRM links with the overall strategic direction of an organization (Caldwell, 2011; Ulrich *et al.*, 2009). Driven by the changing business context, the HR department needs to review its effectiveness in providing HR services throughout the organization (Uen *et al.*, 2012; Wright *et al.*, 2001).

Studies linking HR practices and organizational performance have neglected to investigate the role of employees even though HR practices influence organizational performance by creating a workforce that is skilled, motivated, and empowered (Guthrie *et al.*, 2011). Human capital theory explains the skills, experience, and knowledge of the workforce as economic values to organizations, and how people contribute such values to enhance organizational capability (Jackson & Schuler, 1995). The value of human capital can be fully realized only with productive behaviors from employees stemming from investment relating to motivating, monitoring, and retaining people (Flamholtz & Lacey, 1981, as cited in Jackson & Schuler, 1995). Moreover, HRM activities provide employees with the opportunity to make full use of their knowledge, skills, and other attributes in their jobs (Boxall & Purcell, 2011).

Hypothesis 7: The effectiveness of the HR department will be positively related to an organization's core competence (7a) and perceived organizational performance (7b).

Strategic Orientations as a Moderator

Prior studies have found that line managers in organizations that do not focus on strategic orientations tend to be associated with HR departments that concentrate on operating as an administrative function (Tsui, 1990; Wright *et al.*, 1998). Hence, line managers cannot see the effectiveness of the HR department if the HR department is unable to add value to the strategic management process (Galang & Ferris, 1997; McDuffie, 1995; Ulrich & Dulebohn, 2015). In contrast, organizations that emphasize strategic orientations provide their HR departments with more opportunities to become a strategic partner with line managers as HR strategies are aligned with the organization's strategic management process (Ulrich & Dulebohn, 2015; Wright *et al.*, 1998). Strategic orientations also increase the positive perceptions of line managers toward the effectiveness of the HR department (Jones & Saundry, 2012; Kulik & Perry,

2008; Wright *et al.*, 1998). When organizations engage in strategic orientations, the HR department is expected to perform multiple roles in order to ensure the operational and strategic focuses are balanced (Caldwell, 2011; Ulrich, 1997). When the HR department coordinates with line managers in strategic planning and operational activities, line managers can accept the added value of the department in the organization in relation to people and strategic focus (Teo *et al.*, 2011; Teo & Rodwell, 2007). This study therefore hypothesizes that:

Hypothesis 8: An organization's strategic orientations positively moderate the relationships between the effectiveness of HR roles and strategic involvement (8a), the influence of the HR department (8b), and the effectiveness of the HR department (8c).

The proposed research model and associated hypotheses are shown in Figure 1 (except for the moderation hypotheses).

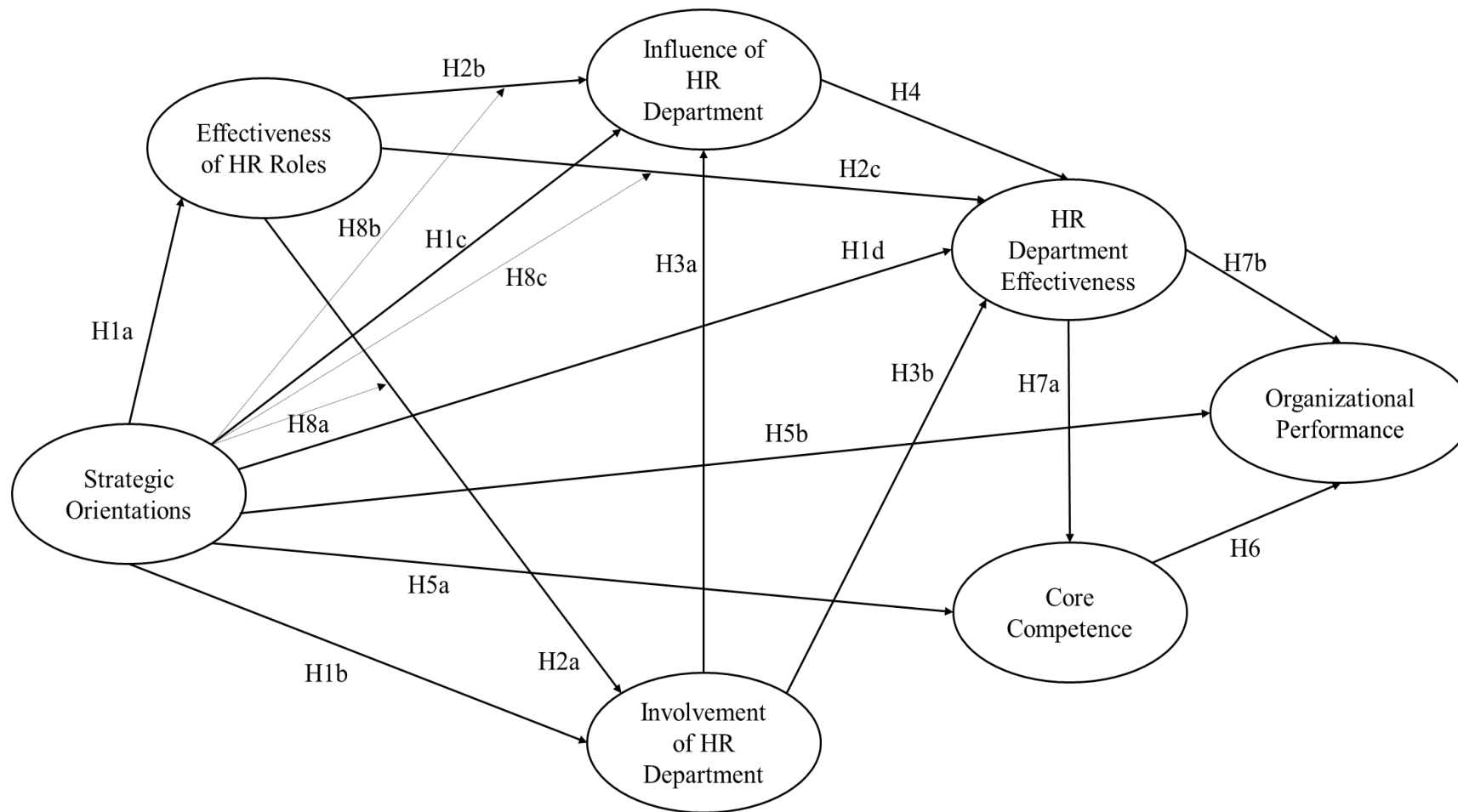


Figure 1. Proposed Research Model of the Study

Methodology

Data and Sample Selection

Power and effect size are considered important variables to identify minimum sample size for a study (Cohen, 1988). This study calculated G* power analysis of a 6-predictor in accordance with the small effect size ($f^2=0.15$) and $r^2=0.5$, which are the minimum estimated squared multiple correlations. As a result, the minimum number of participants required for this study was 146 (Cohen, 1988; Faul *et al.*, 2009).

Altogether 1,000 participants agreed to take part in the survey. The participants were part-time postgraduate students in two business schools in Ho Chi Minh City, Vietnam. This city is one of the most important business and commercial centers of Vietnam and represents different aspects of Vietnam's economic development (Zhu *et al.*, 2008). We excluded individuals who were non-managerial employees and who worked in organizations without a separate HR department. The final sample size used in the study was 484 (a response rate of 48.4%). This number meant that the study had sufficient power and effect size to yield statistically significant accurate and flexible predictions with six predictors.

The majority of the respondents were line managers (77.1%), and from privately owned enterprises (70.7%). More than three-quarters (77.1%) had more than five years of experience in their organizations. Over half of the respondents were employed in the service industry (58.9%) and the remaining were in the manufacturing industry. Most (59.9%) of the respondents were employed in small and medium-sized organizations (50–499 employees).

Measures

To ensure the equivalence of translation, the present study followed the steps in the back-translation approach outlined by Brislin (1970). Two experienced Vietnamese HRM scholars who were not involved in the study translated the survey questionnaire

and compared their translations; they then repeated this process until all errors of interpretation were eliminated and the questionnaire appeared reasonable and acceptable.

Eight semi-structured in-depth interviews were undertaken with line managers before the main survey data collection was conducted. The purpose of these interviews was to evaluate the relevance and capability of the survey instruments. All the interviews were recorded with the participants' permission. The study utilized the thematic analysis approach to discover line managers' perceptions toward whether strategic orientations have an influence on the roles and status of the HR department (Braun & Clarke, 2006). These interviews affirmed that an organization's strategic orientations play a key role in determining the roles and status of the HR department. In addition, the study sought to determine whether the effectiveness of the HR department has an input into organizational outcomes. The following quotations echo suggestions that an organization's strategic orientations can be an important factor determining the roles and status of the HR department (Buyens & De Vos, 2001; Lam & White, 1998; Teo *et al.*, 2011; Wright *et al.*, 1998).

“The organization's business strategy influences the HRM strategy of the HR department. In my organization, the top manager identifies the business strategy. The HR department is responsible for developing HRM activities that are aligned with this business strategy.” (PV-LM12)

“The organization's strategic business orientations will let the HR department know what the department needs to do in the implementation of business strategy.” (PL-LM10)

“We need to distinguish business strategy that emphasizes human input and the one which focuses on products. If an organization follows a strategy exploiting the contribution of human resources, the HR department will focus on HRM activities towards the enhancement of employee competencies. If not, the HR department is normally an administrative function.” (PV-LM11)

The scales used in the current study were adopted from previously validated studies. Interviewees were also asked to leave their opinions about the relevance of the

survey items within the context of Vietnamese organizations as well as comment on the translated questionnaire and items. This process ensured that the questionnaire used in the main study was understandable for non-academic professionals. IBM *SPSS ver22* was used to produce descriptive statistics and correlations, and to run exploratory factor analyses. Hence, the research used IBM *AMOS ver22* to examine the validity of the measurement model of scales and the developed hypotheses. Indices of the goodness of fit were used to determine the fit of data to the model (Byrne, 2009). This study conducted multiple group analysis regarding sectorial difference by using IBM *AMOS ver22*.

Strategic Orientations. Strategic orientations are operationalized in terms of two aspects: (1) *Breadth Strategy* focuses on the development of a variety of products/services that Vietnamese organizations offer to achieve a diversity of customers, and (2) *Innovation Strategy* focuses on the extent to which organizations frequently modify and innovate their products/services to meet customers' demands. These constructs are deemed to be appropriate for Vietnamese organizations in manufacturing and service industries. Following Wright *et al.* (1998), we used a five-item scale to measure *Breadth Strategy* and a five-item scale to measure *Innovation Strategy*. Respondents were asked to indicate whether or not their organizations followed these business strategies on a five-point Likert scale, ranging from "1" = strongly disagree to "5" = strongly agree. Exploratory factor analysis resulted in two factors (KMO test: 0.78; 64.5% with eigenvalues greater than 1.0). Confirmatory factor analysis (CFA) showed the two factors were separate constructs ($\chi^2/df = 1.671$, CFI = 0.99, TLI = 0.98, RMSEA = 0.03, SRMR = 0.02). The scale *Breadth Strategy* had a reliability coefficient of 0.88 and an average estimates (AVE) of 0.79. The scale items were statements such as "Our organization sells to a wide variety of customers". The scale *Innovation strategy* had a reliability coefficient of 0.84 and an AVE of 0.64. The

scale items were statements such as “Our organization is at the forefront of innovation and development”.

Effectiveness of the HR Department's Roles. Ulrich (1997) identified several roles performed by the HR department. Nguyen et al.'s (2013) study found similar roles to those identified by Ulrich. It was therefore decided to utilize the same scale in the present study to identify the roles performed by the HR department in Vietnam. The respondents were asked to evaluate the effectiveness of the roles performed by the HR department in their organizations. The items were rated on a five-point Likert scale, ranging from “1” = extremely ineffective to “5” = extremely effective. Exploratory factor analysis resulted in six factors (KMO test: 0.97; 64.4% with eigenvalues greater than 1.0). These factors were similar to those found in Nguyen *et al.*'s (2013) study. These roles were operationalized as a second-order latent variable in the model. A CFA test supported the unidimensional second-order factor, as indicated by the goodness of fit indices ($\chi^2/df = 1.90$, CFI = 0.96, TLI = 0.96, RMSEA = 0.04, SRMR = 0.07). This scale had a reliability coefficient of 0.93 and an AVE of 0.69.

Strategic Involvement. The strategic involvement of the HR department was measured with seven items from Wright and his associates (1998). The respondents were asked to indicate their responses on a five-point Likert scale, from “1” = the HR department is extremely uninvolved to “5” = the HR department is extremely involved. The items were statements such as “The HR department meets with the organization manager to discuss HR issues”. This scale had a reliability coefficient = 0.95 and an AVE of 0.75.

Influence of the HR Department. The influence of the HR department was measured using four items from Bowen, Galang, and Pillai (2002). Respondents were asked to indicate their views on the HR department's influence on a five-point Likert scale, from “1” = strongly disagree to “5” = strongly agree. Items were statements such

as “The HR department is viewed as an important department in my organization”. This scale had a reliability coefficient = 0.93 and an AVE of 0.78.

HR Department Effectiveness. The literature has shown that the effectiveness of the HR department can be characterized by the extent to which line managers feel that HRM functions are performed well, meet their expectations, and are value-added/bottom-line contributors to the organization (Tsui, 1990; Wright *et al.*, 1998). Following research that has studied the effectiveness of the HR department (e.g., Galang & Ferris, 1997; Teo & Rodwell, 2007; Wright *et al.*, 1998), five items were used to measure the effectiveness of the HR department. Items were statements such as “The HR department meets your expectations in its HRM roles and responsibilities”. Respondents were asked to indicate their evaluation of their HR department’s performance on a five-point Likert scale, from “1” = extremely ineffective to “5” = extremely effective. This scale had a reliability coefficient of 0.93 and an AVE of 0.76.

Core Competence. Following Wright *et al.* (1998), core competence was measured by a seven-item scale. Respondents were asked to rate the core competence of their organization on a five-point Likert scale, ranging from “1” = strongly disagree to “5” = strongly agree. Items were statements such as “Our organization is attracting and retaining competent employees”. This scale had a reliability coefficient of 0.90 and an AVE of 0.64.

Organizational Performance. As our respondents came from both public and private sectors, there were no publicly available financial performance data to allow for comparison of the performance of organizations between the two sectors. Hence, following suggestions from previous studies (e.g., Gooderham *et al.*, 2008; Takeuchi *et al.*, 2007; Tzafir, 2005), this study relied on perceptual measures of organizational performance. However, studies have shown that there is a strong correlation between an organization’s perceived performance and its financial performance (Dess & Robinson,

1984; Wall *et al.*, 2004). To measure subjective organizational performance, we utilized the seven-item scale developed by Delaney and Huselid (1996) and recently used by Fu *et al.* (2016) and Raineri (2016). Furthermore, organizations in emerging economies such as Vietnam do not have published financial performance indicators, which meant that subjective indicators had to be used to allow comparison between organizations from private and public sectors. Respondents were asked to compare the performance of their organization with other organizations that do the same kind of work. CFA resulted in a unidimensional factor ($\chi^2/df = 1.349$, CFI = 0.99, TLI = 0.99, RMSEA = 0.03, SRMR=.013). This scale had a reliability coefficient of 0.91 and an AVE of 0.62.

Control and Marker variables. Line managers from a diverse range of organizational types and different industries were surveyed in an effort to minimize any bias in the study's findings (Becker & Gerhart, 1996; Harel & Tzafrir, 1999). Control variables included ownership types (state-owned and privately owned organizations), sector (manufacturing versus service), and firm size, as these have been previously shown to have an influence on the adoption of HRM in Vietnamese organizations (Nguyen *et al.*, 2013; Zhu *et al.*, 2008).

Common method variance. The present study utilized a "marker variable" to check for common method bias (see Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Harman's single-factor test showed nine factors with values of more than 1, accounting for 64.87% of the variance in the exogenous and endogenous constructs. "Bureaucracy" (Rafferty & Griffin, 2004) was used as the marker variable and method effects were represented by factor loadings from the marker variable to the indicators of the substantive constructs. Items were statements such as "My work involves a great deal of paperwork and administration". The test showed that the difference of correlations of all constructs between, before and after including the marker variable was 0.07. This result indicates that the correlations of exogenous constructs with the endogenous variable

could not be accounted for by the marker variable (Lindell & Whitney, 2001; Malhotra *et al.*, 2006).

Model Estimation and Data Analysis

CFAs were undertaken using *AMOS ver22* (Byrne, 2009) to establish the measurement properties of the items assessed in the study. The items were checked for ease of understanding and appropriateness in the Vietnamese context with a group of academics and HR experts in Vietnam. As reported in the previous section, the CFAs showed that the scales met the minimum-fit indices as recommended by Byrne (2009).

To check the discriminant validity between scales, the study conducted two tests. Firstly, the analysis of the whole hypothesized eight-factor measurement model provided showed a good fit to the data ($\chi^2/df = 1.837$, CFI = 0.96, TLI = 0.96, RMSEA = 0.04, SRMR = 0.034) (Byrne, 2009). A series of CFA tests were undertaken on alternative measurement models (see Table 1), and comparisons were made with the hypothesized eight-factor measurement model using a chi-square difference test. For instance, Model 1 was a significantly better fit to the data than Model 2 ($\Delta\chi^2(13) = 185.70$, $p < 0.001$). Likewise, Model 1 showed a better fit to the data than Model 3 ($\Delta\chi^2(18) = 230.93$, $p < 0.001$). Results of comparisons between Model 1 and the remaining alternative models showed that Model 1 provided the best fit to the data. In addition, the square root of the AVE for each construct in the eight-factor measurement model was much larger than its correlation with any other construct (Fornell & Larcker, 1981; Venaik *et al.*, 2005) (see Table 2). Discriminant validity of the eight factors was established.

Table 1. Comparison of Goodness of Fit between Model 1 and Alternative Models

		χ^2	df	χ^2/df	CFI	TLI	RMSEA	SRMR	$\Delta\chi^2(df)$
Model 1	Eight-factor model (preferred model)	1059.914	577	1.837	0.96	0.96	0.04	0.034	
Model 2	Six-factor model (strategic orientations + organizational performance, core competence, strategic involvement, influence, HR performance, HR roles)	1245.610	590	2.111	0.95	0.94	0.05	0.040	$\Delta\chi^2(13) = 185.70,$ $p < 0.001$
Model 3	Five-factor model (organizational performance + strategic orientations + core competence, strategic involvement, influence, HR performance, HR roles)	1290.839	595	2.169	0.95	0.94	0.05	0.041	$\Delta\chi^2(18) = 230.93,$ $p < 0.001$
Model 4	Four-factor model (organizational performance + strategic orientations + core competence, strategic involvement + influence, HR performance, HR roles)	1569.758	599	2.621	0.93	0.92	0.06	0.044	$\Delta\chi^2(22) = 509.84,$ $p < 0.001$
Model 5	Three-factor model (organizational performance + core competence + strategic orientation, strategic involvement + influence, HR performance + HR roles)	1637.280	602	2.720	0.92	0.91	0.06	0.045	$\Delta\chi^2(25) = 577.37,$ $p < 0.001$
Model 6	Two-factor model (organizational performance + core competence + strategic orientation, strategic involvement + influence + HR performance + HR roles)	1795.525	604	2.971	0.91	0.90	0.06	0.05	$\Delta\chi^2(27) = 735.61,$ $p < 0.001$
Model 7	Single-factor model	2601.366	605	4.300	0.85	0.83	0.08	0.074	$\Delta\chi^2(28) = 1541.45,$ $p < 0.001$

Results

Descriptive statistics and correlations are reported in Table 2. The path analysis procedure included control variables. The results showed that firm size was associated with the effectiveness of the HR department ($\beta = -0.07, p < 0.01$). The model had a good fit to the data ($\chi^2/df = 1.320$, CFI = 0.99, TLI = 0.99, RMSEA = 0.026, SRMR = 0.017) and these positive fit indices satisfied the cut-off criteria for fit indices (Byrne, 2009; Hu & Bentler, 1999). Results of the path analysis are reported in Figure 2. In particular, breadth strategy had statistically significant positive relationships with HR role effectiveness, involvement, core competence, and perceived organizational performance. Innovation strategy was found to have statistically significant relationships with HR role effectiveness, HR department effectiveness, and core competence. These findings show that hypothesis 1 and hypothesis 5 were partly supported. The study also found that HR role effectiveness, strategic involvement, and influence had statistically significant positive associations with the effectiveness of the HR department. Thus, hypotheses 2, 3 and 4 were fully supported. In addition, the study found that the effectiveness of the HR department was positively related to an organization's core competence and to its performance. These findings confirmed hypothesis 6 and hypothesis 7.

Table 2. Descriptive Statistics and Correlation Matrix between Latent Variables

	Mean	SD	α	AVE	1	2	3	4	5	6	7	8
1. Breadth Strategy	3.41	1.08	0.88	0.79	<u>0.89</u>							
2. Innovation Strategy	3.22	0.92	0.84	0.64	0.56***	<u>0.80</u>						
3. HR Role Effectiveness	3.33	0.72	0.93	0.76	0.38***	0.46***	<u>0.83</u>					
4. Strategic Involvement	3.57	0.93	0.95	0.75	0.37***	0.41***	0.77***	<u>0.87</u>				
5. HR Department Influence	3.54	0.95	0.93	0.78	0.37***	0.39***	0.74***	0.75***	<u>0.88</u>			
6. HR Department Effectiveness	3.38	0.95	0.93	0.76	0.40***	0.46***	0.80***	0.79***	0.73***	<u>0.87</u>		
7. Core Competence	3.59	0.85	0.90	0.64	0.49***	0.56***	0.54***	0.54***	0.51***	0.64***	<u>0.80</u>	
8. Organizational Performance	3.54	0.77	0.91	0.62	0.48***	0.50***	0.60***	0.57***	0.51***	0.68***	0.74***	<u>0.79</u>

Notes: N = 484

AVE: average variance estimate

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

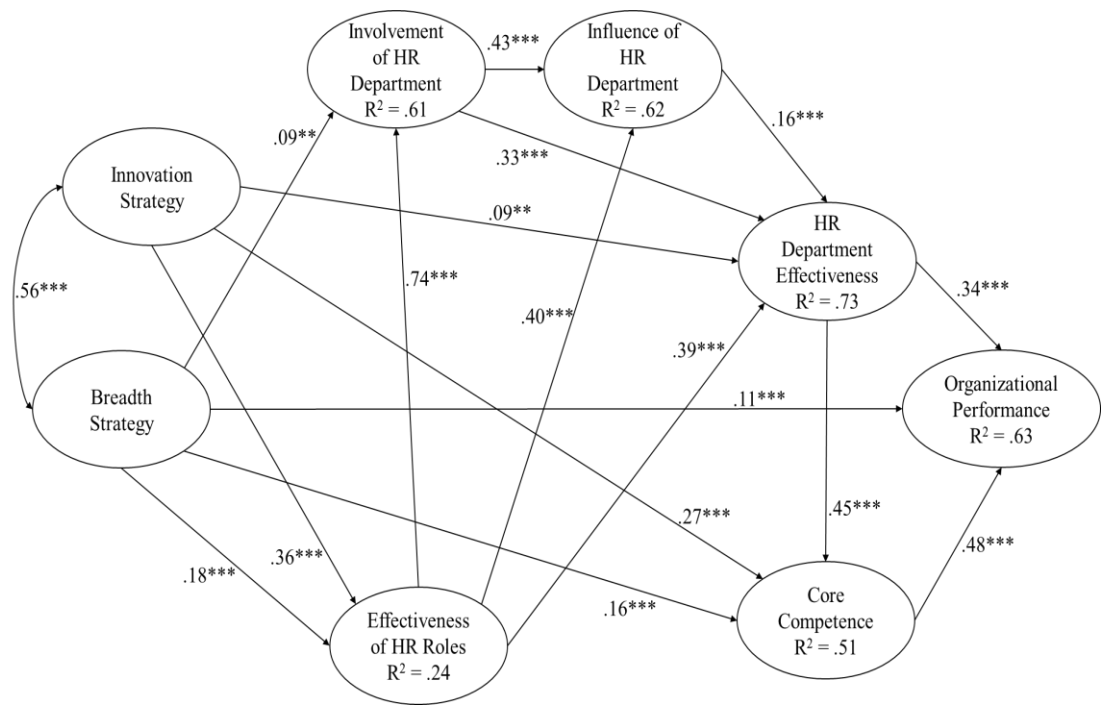


Figure 2. Results of Path Analysis

Notes: N = 484

** $p < 0.01$; *** $p < 0.001$

Control variables were included in the structural model.

It was expected that breadth and innovation strategies would moderate the relationships between the effectiveness of HR roles and the strategic involvement, influence, and effectiveness of the HR department. A series of moderating effect analyses was conducted using Hayes's PROCESS macro (2013, Model 1). The statistical results showed that breadth strategy moderated the relationship between HR role effectiveness and the strategic involvement of the HR department ($\beta = -0.096$, $t = -2.932$, $p < 0.01$). The analysis showed that this strategy also significantly moderated the relationship between the effectiveness of HR roles and the influence of the HR department ($\beta = -0.089$, $t = -2.568$, $p < 0.05$). These negative interaction effects showed that when there was a low level of HR role effectiveness, higher level of breadth strategy increased the level of strategic involvement and influence of the HR department. On the other hand, when HR role effectiveness was high, a higher level of

breadth strategy would only marginally improve the level of the HR department's strategic involvement and influence (see Figure 3 and Figure 4). The final analysis for the moderation effect of innovation strategy showed that this construct moderated the relationship between the effectiveness of HR roles and the effectiveness of the HR department ($\beta = -0.121, t = -3.576, p < 0.001$). This finding showed that when there was a high level of HR role effectiveness, a higher level of innovation strategy only slightly increased the level of the effectiveness of the HR department (see Figure 5). Hypothesis 8 was supported.

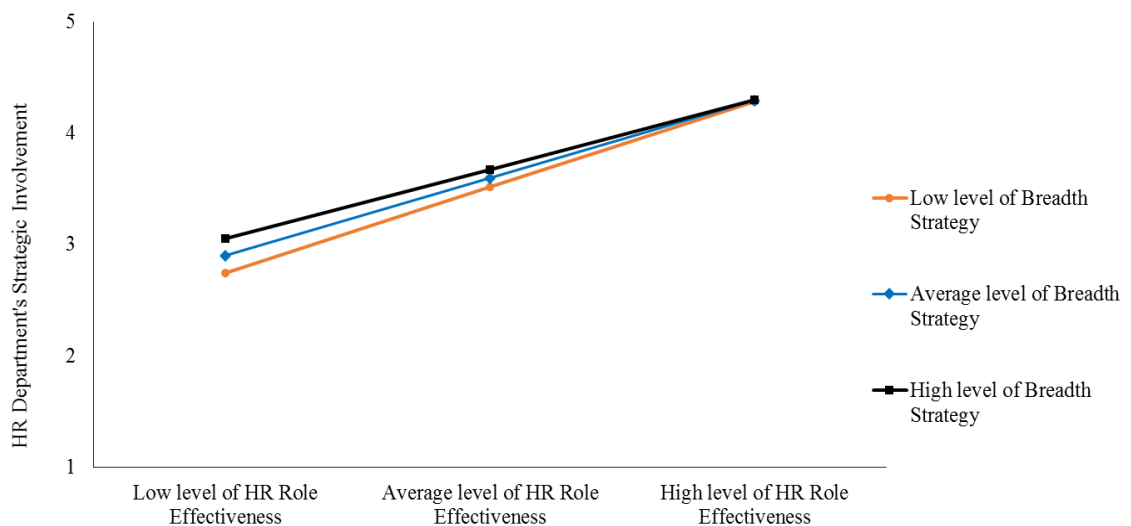


Figure 3. Moderating Effect of Breadth Strategy in the Relationship between the Effectiveness of HR Roles and Strategic Involvement of the HR Department

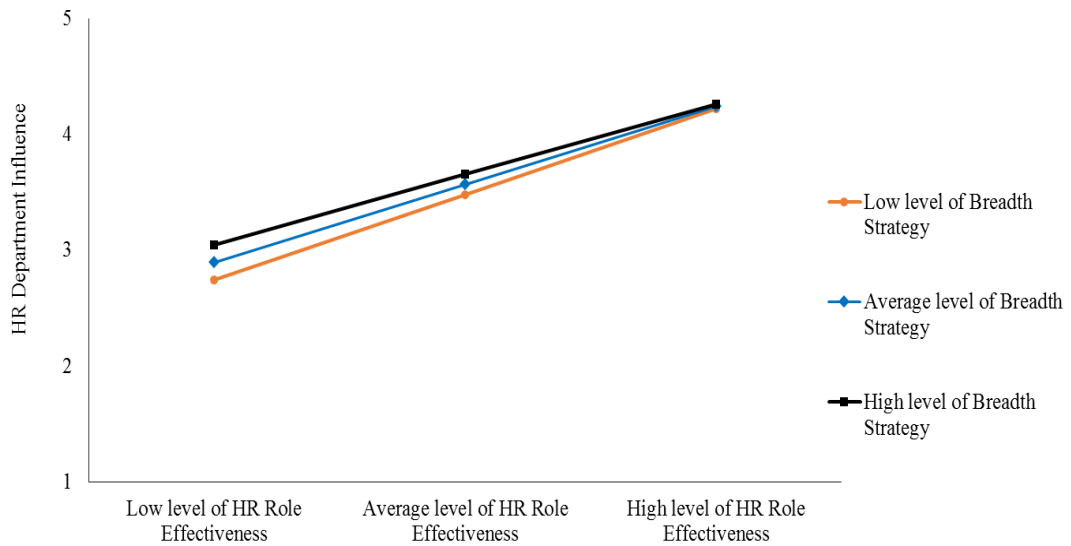


Figure 4. Moderating Effect of Breadth Strategy in the Relationship between the Effectiveness of HR Roles and the HR Department’s Influence

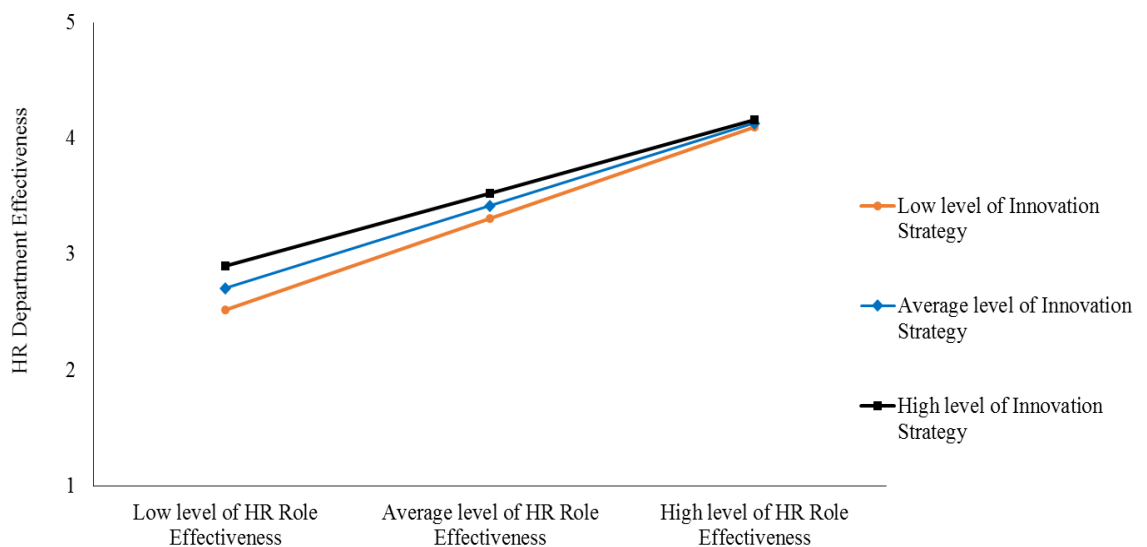


Figure 5. Moderating Effect of Innovation Strategy in the Relationship between the Effectiveness of HR Roles and the HR Department’s Effectiveness

Discussion and Implications

Theoretical contributions

This study investigated line managers' perceptions of the HR department in response to a call for an understanding of the added value of the HR department in the strategic management process in Vietnamese organizations. The study showed that breadth strategy was positively related to the effectiveness of HR roles, the HR department's strategic involvement, an organization's core competence, and perceived organizational performance. Innovation strategy was found to have positive associations with HR role effectiveness, the HR department's effectiveness, and an organization's core competence. Line managers in this study reported that the positive relationships between the effectiveness of HR roles, strategic involvement, and influence of the HR department would lead to their positive perception of the HR department's effectiveness. As hypothesized, the relationships between the HR department's effectiveness and an organization's core competence, and organizational performance were significant. The direction of these relationships was clarified as being positive and consistent with the direction predicted. Also, the moderating effects of breadth strategy in the relationships between the effectiveness of HR roles, strategic involvement, and the influence of the HR department were statistically significant. In addition, innovation strategy was found to be a moderator in the relationship between the effectiveness of HR roles and the HR department's effectiveness. The study was supportive of strategic HRM literature that has re-emphasized the need to examine the effectiveness of the HR department in organizational performance (e.g., Guest & Conway, 2011; Welbourne, 2012).

This study extends the HR role framework developed by Ulrich (1997) by showing determinants and consequences of the effectiveness of HR roles. In particular, when organizations follow either a breadth strategy or innovation strategy, the HR

department can play operational and strategically focused roles at the same time. The strong correlation between the effectiveness of HR roles and the strategic involvement of the HR department affirms the fact that line managers highly appreciate and are willing to accept the involvement of the HR department in strategic activities when the HR department performs its roles better. The effectiveness of HR roles also results in the positive evaluation of line managers who register the HR department's influence and positively assess the department's performance (Buyens & De Vos, 2001; Caldwell, 2011; Wright *et al.*, 2001).

This study affirms the possibility of generalizing the theoretical framework of power and influence of the HR department to a non-Western developing economy. Specifically, while Galang and Ferris (1997) showed the impact of unionization on HR practices, this study shows how the HR department can be perceived as effective through its symbolic actions. The study provides evidence of symbolic actions that the HR department can engage in to make line managers accept its added value (Galang & Ferris, 1997; Hope-Hailey *et al.*, 2005; Welbourne, 2012). In this study, the HR department's symbolic actions are the effectiveness of HR roles, the department's strategic involvement and its influence. Perceptions of the effectiveness of the HR department are stronger when line managers can see the positive relationships between HR role effectiveness, strategic involvement, and the influence of the HR department. These symbolic actions create a shared understanding of the importance of the HR department because the HR department is able to undertake a wider range of effective HRM activities (Galang & Ferris, 1997; Teo & Rodwell, 2007).

Studies by Galang *et al.* (1999), Teo *et al.* (2011), and Wright *et al.* (1998) show that an organization's strategy, as an organization's institutionalized element, can secure the HR department's legitimacy. This study lends support to Wright *et al.* (1998) that the pursuit of a breadth strategy enables the HR department to be more involved in the

strategic management process. In this instance, line managers seem to value the HR department's strategic involvement because they can see that the numbers of employees and employee competencies are important in selling different products/services to a variety of customers. The competencies of human resources are also vital in an innovation strategy. As innovation strategies require more human input, line managers are likely to see the effectiveness of the HR department in the improvement of the organization's core competence.

The study shows what benefits accrue to an organization when the HR department is effective (Galang & Ferris, 1997; Ferris *et al.*, 2007; Welbourne, 2012). Indeed, line managers in this study reported a positive association between the HR department's effective performance and the organization's core competence and performance. Thus, the effectiveness of the HR department is an important criterion by which line managers can recognize and assert the involvement and influence of the department in the planning and implementation of business strategies.

This study extends the HRM-performance literature by examining the moderating effect of strategic orientations (Bowen *et al.*, 2002; Boxall & Purcell, 2011). As stated by HRM scholars such as Golden and Ramanujam (1985), Lam and White (1998), and Wright *et al.* (1998), strategic orientations are strategic choices of an organization. These strategic orientations will determine the HR roles, the HR department's strategic involvement, and its influence. This study lends support to the concept that the impact of HR role effectiveness on the HR department's performance is related to "an organization's strategic posture" (Youndt *et al.*, 1996, p. 841). This study offers an understanding that breadth strategy plays an important role in enhancing the acceptance of the HR department's strategic involvement as well as its influence. Also, innovation strategy is vital for line managers' ability to perceive the HR department's effectiveness.

Specifically, the low level of HR role effectiveness can be caused by the competing expectations and demands of different constituents in an organization. The HR department finds it difficult to enact all of these HR roles because the HR department has to build up HRM credibility and collaboration with line managers while taking a more administrative burden (Lawler, 2011; Ulrich, 2011). When the HR roles are perceived to be ineffective, line managers are unlikely to recognize the HR department's strategic involvement, influence, and effectiveness (Sheehan *et al.*, 2014; Ulrich, 1997). This study highlights the importance of both breadth and innovation strategies in increasing the acceptance of the HR department's strategic involvement, influence, and effectiveness when the effectiveness of HR roles is low. Globalization has created a dynamic business environment in which organizations have to be able to respond quickly to economic uncertainties and unpredictable changes (Jansen *et al.*, 2009). Breadth strategies emphasize the expansion of a variety of products/services and customers (MacDuffie, 1995; Sanchez, 1995). When the business environment is unstable, a breadth strategy requires the HR department to be an enabler in the development of a flexible and skilled workforce that is responsive to a range of old and new market challenges. This strategy may well present the HR department with an opportunity to take an active and influencing role in making HR decisions. Similarly, innovation strategies focus on the continuous improvement and modification of products/services. Innovation strategies require a lot of human input; thus, line managers must value the HR department's performance in creating greater added value from employees.

The study finally adds empirical evidence to Vietnam's HRM literature by showing line managers' perceptions of the HR department's roles and status, an area that has previously been neglected in studies. The study provides evidence of line managers' positive perceptions toward the HR department's importance – a finding that

is in contrast to previous comments on the status and influence of the HR department (Thang & Quang, 2005b; Truong & van der Heijden, 2009). The findings show that organizations in this study, despite their ownership type, industry sector, and firm size, recognize the roles and strategic contributions of the HR department in the development of an organization's competitive advantage (Nguyen *et al.*, 2013). The fact that the respondents came from Ho Chi Minh City in Vietnam may explain these positive results. In recent years, there has been a rise of higher education and professional training programs for managers in Ho Chi Minh City, which have disseminated the concept of contemporary HRM to the managers' organizations.

Practical Implications

Our study indicates that the HR department has an opportunity to become a strategic partner with line managers in the strategic management process. The findings imply that the HR department has to be well-prepared to be involved in strategic activities with line managers. This implication is important for HR managers when HRM activities are aligned with the organization's business strategy. The opportunity for the HR department to be strategically involved, influential and perceived to be effective is remarkably pronounced in organizations following either breadth or innovation strategies. These strategies emphasize the organization's core competence, especially employee competencies and business procedures. These strategic orientations will support the HR department in increasing the recognition of its strategic role and the acceptance of its contribution to the organization.

From the viewpoint of line managers, it is important for HR managers to consider whether the organization's business strategy requires the development of a variety of products/services, a diversity of customers, or the frequent modifications of products/services and business procedures. This consideration will help HR managers to identify HRM activities to develop the human capital necessary for the successful

implementation of the organization's chosen business strategy. Our study also suggests that HR practitioners must prepare to perform various roles effectively when the organization wants to maximize the contribution of employees. This preparation will enable HR executives to convince line managers to accept the HR department's contribution to the organization. HR managers can also increase positive perceptions of the HR department's effectiveness by convincing multiple constituents of the benefits of the department's roles, strategic involvement, and influence in strategic issues (Ferris *et al.*, 2007; Galang & Ferris, 1997; Sheehan *et al.*, 2007).

HR managers should also consider the important relationship between the HR department and multiple stakeholders, especially line managers, in negotiating the department's strategic role within the organization (Jones & Saundry, 2012; Kulik & Perry, 2008). This study suggests HRM decentralization to line managers as this approach allows the HR department to focus on strategic issues (Perry & Kulik, 2008). To encourage line managers' willingness to share HRM activities, two important criteria need to be met. Firstly, HR practitioners need to be better at their HRM technical knowledge and expertise regarding HRM activities and labor regulations. These skills are important for HR practitioners to achieve a greater credibility with line managers and senior executives. Secondly, HR managers need to regularly inform line managers of the organization's HRM policies and provide them with a high-enough level of HR knowledge support (Ryu & Kim, 2013). These activities will make line managers willing to take on HRM responsibilities. HR professionals should also improve their business competence, integration competence, professional knowledge, and their ability to assist the change management process (Ulrich *et al.*, 2009; Ulrich & Dulebohn, 2015). These competencies are necessary for HR practitioners when Vietnamese organizations adopt advanced management practices in order to compete successfully in the global market.

Limitations and Directions for Future Research

The participants recruited for this study represented possible limitations to the study's findings, which should be addressed in future studies. In the first instance, the data were collected from a single source of respondents, all of whom were line managers in Ho Chi Minh City. However, this data collection issue was mitigated by the checks undertaken to ensure common method variance was of no major concern, such as the incorporation of a "marker variable" (Podsakoff *et al.*, 2003; Rafferty & Griffin, 2004). The findings may have been affected by the context as Ho Chi Minh City is more cosmopolitan and progressive in business thinking than other parts of Vietnam. Likewise, the line managers may have been affected by Western strategic management thinking taught in their postgraduate programs. Therefore, future studies need to replicate this study in different regions of Vietnam to test the generalizability of the study's findings. For the same reason, future studies should collect data from multiple sources of respondents such as CEOs' opinions and employees' evaluation of HR department effectiveness. Both CEOs and employees are critical in determining the roles of the HR department and the level of support for HRM in strategic management (Caldwell, 2011).

In addition, future research should replicate this study in a specific industry such as manufacturing or service, in order to understand how the HR department is perceived to be effective in its relative industrial context. Prior studies have shown differences in HRM adoption between organizations with different ownership types (e.g., Thang & Quang, 2005b; Zhu *et al.*, 2008). Future studies should examine this model in a particular ownership type or conduct a comparison between public sector and private sector organizations. A longitudinal study, including measurement of employee performance and objective organizational outcomes to see what the HR department contributes to an organization's success, would also be of value to generalize research

findings. This study was based on the perceptions of line managers in a developing economy. Different results could emerge from studies that examine how line managers in other countries view the contributions of the HR department.

Conclusion

In summary, this study contributes to the empirical evidence of the existing literature in terms of how line managers perceive the effectiveness of their HR department. In addition, the present study adds to the knowledge of HRM in Vietnam an understanding of determinants and consequences of the HR department's effectiveness. In particular, the findings present empirical support for the link between an organization's strategic orientations, the HR department's roles, involvement and influence, and core competence, and the organization's performance. The current study also re-emphasizes the importance of the perceptions of line managers in evaluating the performance of the HR department. Finally, this study suggests that the HR department in Vietnam performs a crucial role in the process of strategic management, consistent with that found in other Asian and non-Asian countries.

References

- Aldrich, P., Dietz, G., Clark, T., & Hamilton, P. 2015. Establishing HR professionals' influence and credibility: Lessons from the capital markets and investment banking sector. *Human Resource Management*, 54(1): 103-130.
- Azmi, F. T. 2010. Devolution of HRM and organizational performance: evidence from India. *International Journal of Commerce and Management*, 20(3): 217-231.
- Bao, Y., Chen, X., & Zhou, K. Z. 2012. External learning, market dynamics, and radical innovation: Evidence from China's high-tech firms. *Journal of Business Research*, 65(8): 1226-1233.
- Barney, J. B., Ketchen, D. J., & Wright, M. 2011. The future of resource-based theory: Revitalization or decline? *Journal of Management*, 37(5): 1299-1315.
- Bartram, T., Stanton, P., & Thomas, K. 2009. Good morning Vietnam: new challenges for HRM. *Management Research News*, 32(10): 891-904.
- Becker, B., & Gerhart, B. 1996. The impact of human resource management on organizational performance: Progress and prospects. *Academy of Management Journal*, 39(4): 779-801.
- Bowen, D. E., Galang, C., & Pillai, R. 2002. The role of human resource management: An exploratory study of cross-country variance. *Human Resource Management*, 41(1): 103-122.
- Boxall, P., & Purcell, J. 2011. *Strategy and human resource management* (3rd ed.). Basingstoke, Hampshire: Palgrave Macmillan.
- Brandl, J., Madsen, M. T., & Madsen, H. 2009. The perceived importance of HR duties to Danish line managers. *Human Resource Management Journal*, 19(2): 194-210.

- Brandl, J., & Pohler, D. 2010. The human resource department's role and conditions that affect its development: Explanations from Austrian CEOs. *Human Resource Management*, 49(6): 1025-1046.
- Braun, V., & Clarke, V. 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2): 77-101.
- Brislin, R. W. 1970. Back translation for cross-cultural research. *Journal of Cross-Cultural Psychology*, 1(3): 185-216.
- Budhwar, P., & Debrah, Y. 2009. Future research on human resource management systems in Asia. *Asia Pacific Journal of Management*, 26(2): 197-218.
- Buyens, D., & De Vos, A. 2001. Perceptions of the value of the HR function. *Human Resource Management Journal*, 11(3): 70-89.
- Byrne, B. M. 2009. *Structural equation modelling with AMOS: Basic concepts, applications, and programming* (2nd ed.). Routledge Academic.
- Caldwell, R. 2003. The changing roles of personnel managers: old ambiguities, new uncertainties. *Journal of Management Studies*, 40(4): 983-1004.
- Caldwell, R. 2011. HR directors in UK boardrooms: A search for strategic influence or symbolic capital? *Employee Relations*, 33(1): 40-63.
- Cappelli, P. 2015. Why do we love to hate HR...and What HR can do about it. *Harvard Business Review*, 93(7/8): 54-61.
- Chen, Y-P., Hsu, Y-S., & Yip, F. W-K. 2011. Friends or rivals: Comparative perceptions of human resource and line managers on perceived future firm performance. *The International Journal of Human Resource Management*, 22(8): 1703-1722.
- Cohen, J. 1988. *Statistical power analysis for the behavioural sciences* (2nd ed.). Lawrence Erlbaum Associates, Publisher. New Jersey.

- Conway, E., & Monks, K. 2010. The devolution of HRM to middle managers in the Irish health service. *Personnel Review*, 39(3): 361-374.
- Delaney, J. T., & Huselid, M. A. 1996. The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*, 39(4): 949-969.
- Dess, G. G., & Robinson, R. 1984. Measuring organizational performance in the absence of objective measures. *Strategic Management Journal*, 5(3): 265-273.
- Enns, H. G., & McFarlin, D. B. 2003. When executives successfully influence peers: The role of target assessment, preparation, and tactics. *Human Resource Management*, 44(3): 257-278.
- Faul, F., Erdfelder, E., Buchner, A., & Lang, A-G. 2009. Statistical power analyses using G* Power 3.1: Tests for correlation and regression analyses. *Behavior Research Methods*, 41(4): 1149-1160.
- Ferris, G. R., & Judge, T. A. 1991. Personnel/Human resources management: A political influence perspective. *Journal of Management*, 17(2): 447-488.
- Ferris, G. R., Perrewe, P. L., Ranft, A. L., Zinko, R., Stoner, J. S., Brouer, R. L., & Laird, M. D. 2007. Human resources reputation and effectiveness. *Human Resource Management Review*, 17(2): 117-130.
- Fornell, C., & Larcker, D. F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1): 39-50.
- Fu, N., Ma, Q., Flood, P. C., Bosak, J., Liu, Y., & Zhang, Y. 2016. When East meets West: comparing the utilization of high-performance work systems in Chinese and Irish professional service firms. *Asia Pacific Journal of Human Resources*, 54(1): 8-31.

- Galang, M. C., & Ferris, G. R. 1997. Human resource department power and influence through symbolic action. *Human Relations*, 50(11): 1043-1066.
- Galang, M. C., Elsik, W., & Russ, G. S. 1999. Legitimacy in human resources management. *Research in Personnel and Human Resources Management*, 17: 41–79.
- Golden, K. A., & Ramanujam, V. 1985. Between a dream and a nightmare: On the integration of the human resource management and strategic business planning processes. *Human Resource Management*, 24(4): 429-452.
- Gooderham, P., Parry, E., & Ringdal, K. 2008. The impact of bundles of strategic human resource management practices on the performance of European firms. *The International Journal of Human Resource Management*, 19(11): 2041-2056.
- Guest, D. E. 2011. Human resource management and performance: still searching for some answers. *Human Resource Management Journal*, 21(1): 3-13.
- Guest, D., & Conway, N. 2011. The impact of HR practices, HR effectiveness and a ‘strong HR systems’ on organizational outcomes: A stakeholder perspective. *The International Journal of Human Resource Management*, 22(8): 1686-1702.
- Guthrie, J. P., Flood, P. C., Liu, W., MacCurtain, S., & Armstrong, C. 2011. Big hat, no cattle? The relationship between use of high-performance work systems and managerial perceptions of HR departments. *The International Journal of Human Resource Management*, 22(8): 1672-1685.
- Harel, G. H., & Tzafrir, S. S. 1999. The effect of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38(3): 185-200.
- Hayes, A. F. 2013. *Introduction to mediation, moderation, and conditional process analysis. A regression-based approach*. New York, NY: Guildford.

- Hope-Hailey, V., Farndale, E., & Truss, C. 2005. The HR department's role in organizational performance. *Human Resource Management Journal*, 15(3): 49-66.
- Hu, L., & Bentler, P. M. 1999. Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling*, 6(1): 1-55.
- Huselid, M. A. 1995. The impact of human resource management practices on turnover, productivity and corporate financial performance. *The Academy of Management Journal*, 38(3): 635-672.
- Jackson, S. E., & Schuler, R. 1995. Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46(1): 237-264.
- Jansen, J. P., Vera, D., & Crossan, M. 2009. Strategic leadership for exploration and exploitation: the moderating role of environmental dynamism. *Leadership Quarterly*, 20(1): 5-18.
- Jones, C., & Saundry, R. 2012. The practice of discipline: evaluating the roles and relationship between managers and HR professionals. *Human Resource Management Journal*, 22(3): 252-266.
- Kulik, C. T., & Perry, E. L. 2008. When less is more: the effect of devolution on HR's strategic role and construed image. *Human Resource Management*, 47(3): 541-558.
- Lam, L. W., & White, L. P. 1998. Human resource orientation and corporate performance. *Human Resource Development Quarterly*, 9(4): 351-364.
- Lawler, E. A. 2011. Celebrating 50 years, HR: time for a reset. *Human Resource Management*, 50(2): 171-173.

- Lindell, M. K., & Whitney, D. J. 2001. Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86(1): 114-121.
- MacDuffie, J. P. 1995. Human resource bundles and manufacturing performance: organizational logic and flexible production systems in the world auto industry. *Industrial and Labor Relations Review*, 48(2): 197-221.
- Malhotra, N. K., Kim, S. S., & Patil, A. 2006. Common method variance in IS research: A comparison of alternative approaches and a reanalysis of past research. *Management Science*, 52(12): 1865-1883.
- Morgan, R. E., & Strong, C. A. 2003. Business performance and dimensions of strategic orientation. *Journal of Business Research*, 56(3): 163-176.
- Nguyen, D., Teo, S., & Mylett, T. 2013. An exploration of the roles of HR departments in Vietnam. *Journal of General Management*, 39(2): 83-113.
- Paauwe, J., Wright, P., & Guest, D. 2013. HRM and performance: what do we know and where we should go? In D. E. Guest, J. Paauwe, and P. Wright, *HRM and performance: achievements and challenges*: 1-13. Chichester, West Sussex: Wiley.
- Perry, E. L., & Kulik, C. T. 2008. The devolution of HR to the line: Implications for perceptions of people management effectiveness. *The International Journal of Human Resource Management*, 19(2): 262-273.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. 2003. Common method biases in behavioural research: a critical review of the literature and recommendation remedies. *Journal of Applied Psychology*, 88(5): 879-903.
- Pritchard, K. 2010. Becoming an HR strategic partner: Tales of transition. *Human Resource Management Journal*, 20(2): 175-188.
- Quang, T., & Thang, L. C. 2004. HRM in Vietnam. In P. Budhwar (Ed.), *Managing human resources in Asia-Pacific*: 173-199. London and New York: Routledge.

- Quang, T., Thang, L. C., & Rowley, C. 2008. The changing face of human resource in Vietnam. In C. Rowley and S. Abdul-Rahman (Eds.), *The changing face of management in Southeast Asia*: 185-221. London and New York: Routledge.
- Rafferty, A. E., & Griffin, M. A. 2004. Dimensions of transformational leadership: conceptual and empirical extensions. *Leadership Quarterly*, 15(3): 329-354.
- Raineri, A. 2016. Linking human resource practices with performance: the simultaneous mediation of collective affective commitment and human capital. *The International Journal of Human Resource Management*, 15(1): 1-30.
- Reichel, A., & Lazarova, M. 2013. The effects of outsourcing and development on the strategic position of HR departments. *Human Resource Management*, 52(6): 923-946.
- Ryu, S., & Kim, S. 2013. First-line manager's HR involvement and HR effectiveness: The case of South Korea. *Human Resource Management*, 52(6): 947-966.
- Sanchez, R. 1995. Strategic flexibility in product competition. *Strategic Management Journal*, 16(8): 135-159.
- Schuler, R. S., & Jackson, S. E. 1987. Linking competitive strategies with human resource management. *Academy of Management Executive*, 1(3): 207-219.
- Schuler, R. S. 1992. Strategic human resources management: linking the people with the strategic needs of the business. *Organizational Dynamics*, 21(1): 18-32.
- Scott, W. R. (Eds.). 2008. *Institutions and organizations – ideas and interests*. Sage Publications: Los Angeles, London, New Delhi, Singapore.
- Sheehan, C., Cooper, B., Holland, P., & De Cieri, H. 2007. The relationship between HRM avenues of political influence and perceived organizational performance. *Human Resource Management*, 46(4): 611-629.
- Sheehan, C., & Cooper, B. K. 2011. HRM outsourcing: The impact of organizational size and HRM strategic involvement. *Personnel Review*, 40(6): 742-760.

- Sheehan, C., De Cieri, H., Greenwood, M., & Van Buren, H. J. 2014. HR professional role tensions: Perceptions and responses of the top management team. *Human Resource Management*, 53(1): 115-130.
- Sheehan, C., De Cieri, H., & Cooper, B. 2014. Exploring the power dimensions of the human resource function. *Human Resource Management Journal*, 24(2): 193-210.
- Takeuchi, R., Lepak, D. P., Wang, H., & 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.
- Teo, S. T. T., & Rodwell, J. J. 2007. To be strategic in the new public sector, HR must remember operational activities. *Human Resource Management*, 46(2): 265-284.
- Teo, S. T. T., Le Clerc, M. & Galang, M. C. 2011. Human capital enhancing HRM systems and frontline employees in Australian manufacturing SMEs. *The International Journal of Human Resource Management*, 22(12): 2522-2538.
- Teo, S. T. T., Reed, K. K., & Ly, K. 2014. Human resource involvement in developing intellectual capital. *The Service Industries Journal*, 34(15): 1219-1233.
- Truong, Q., & van der Heijden, B. I. J. M. 2009. The changing face of human resource management in Vietnam. In C. Rowley and Q. Truong (ed.), *The changing face of Vietnamese management*: 24-49. New York: Routledge.
- Thang, L. C., & Quang, T. 2005a. Human resource management practices in a transitional economy: a comparative study of enterprise ownership forms in Vietnam. *Asia Pacific Business Review*, 11(1): 25-47.
- Thang, L. C., & Quang, T. 2005b. Antecedents and consequences of dimensions of human resource management practices in Vietnam. *The International Journal of Human Resource Management*, 16(10): 48-64.

- Thang, N. N., & Quang, T. 2011. The impact of training on firm performance in a transitional economy: Evidence from Vietnam. *Research & Practice in Human Resource Management*, 19(1): 11-24.
- Thompson, P. 2011. Provocation series paper: The trouble with HRM. *Human Resource Management Journal*, 21(4): 355-367.
- Truss, C., Gratton, L., Hope-Hailey, V., Stiles, P., & Zaleska, J. 2002. Paying the piper: choice and constraint in changing HR functional roles. *Human Resource Management Journal*, 12(2): 39-63.
- Tsui, A. S. 1990. A multiple-constituency model of effectiveness: an empirical examination at the human resource subunit level. *Administrative Science Quarterly*, 35(3): 458-483.
- Tzafirir, S. 2005. The relationship between trust, HRM, and firm performances. *The International Journal of Human Resource Management*, 16(9): 1600-1622.
- Uen, J. F., Ahlstrom, D., Chen, S-Y., & Tseng, P-W. 2012. Increasing HR's strategic participation: The effect of HR service quality and contribution expectations. *Human Resource Management*, 51(1): 3-24.
- Ulrich, D., & Brockbank, W. 2005. *The HR value proposition*. Boston, MA: Harvard Business School Press.
- Ulrich, D. 1997. *Human resource champions: The next agenda for adding value and delivering results*. Boston: Harvard Business School Press.
- Ulrich, D., Brockbank, W., Johnson, D., Sandholtz, K., & Younger, J. 2009. *HR competencies mastery at the intersection of people and business*. Alexandria: The Society for Human Resource Management.
- Ulrich, D. 2011. Celebrating 50 years: an anniversary reflection. *Human Resource Management*, 50(1): 2-7.

- Ulrich, D., & Dulebohn, J. H. 2015. Are we there yet? What's next for HR? *Human Resource Management Review*, 25(2): 188-204.
- Venaik, S., Midgley, D. F., & Devinney, T. M. 2005. Dual paths to performance: the impact of global pressures on MNC subsidiary conduct and performance. *Journal of International Business Studies*, 36(6): 655-675.
- Vo, A., & Bartram, T. 2012. The adoption, character and impact of strategic human resource management: a case study of two large metropolitan Vietnamese public hospitals. *The International Journal of Human Resource Management*, 23(18): 3758-3775.
- Wall, T. D., Michie, J., Patterson, M., Wood, S. J., Sheehan, M., Clegg, C. W., & West, M. 2004. On the validity of subjective measures of company performance. *Personnel Psychology*, 57(1): 95-118.
- Welbourne, T., & Cyr, L. 1999. The human resource executive effect in initial public offering firms. *Academy of Management Journal*, 42(6): 616-629.
- Welbourne, T. M. 2009. Editor-in-chief's note: HRM in tough time. *Human Resource Management*, 48(2): 181-182.
- Welbourne, T. M. 2012. HRM: the field of dreams. *Human Resource Management*, 51(3): 309-311.
- Wright, P., & Snell, S. A. 2005. Partner or guardian? HR's challenge in balancing value and values. *Human Resource Management*, 44(2): 177-182.
- Wright, P. M., & McMahan, G. C. 1992. Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2): 295-320.
- Wright, P. M., Kroll, M., Pray, B., & Lado, A. 1995. Strategic orientation, competitive advantage, and business performance. *Journal of Business Research*, 33(2): 143-151.

- Wright, P. M., McMahan, G. C., McCormick, B., & Sherman, W. S. 1998. Strategy, core competence, and HR involvement as determinants of HR effectiveness and refinery performance. *Human Resource Management*, 37(1): 17-29.
- Wright, P. M., McMahan, G. C., Snell, S. A., & Gerhart, B. 2001. Comparing line and HR executives' perceptions of HR effectiveness: services, roles, and contributions. *Human Resource Management*, 40(2): 111-123.
- Wright, P. M. 2015. People, practices and performance: Problems and prospects. Paper presented at the Australia and New Zealand Academy of Management, University of Otago, Dunedin, New Zealand, December.
- Youndt, M. A., Snell, S. A., Dean, J. W., & Lepak, D. P. 1996. Human resource management, manufacturing strategy and firm performance. *Academy of Management Journal*, 30(4): 836-866.
- Zhu, Y., Collins, N., Webber, M., & Benson, J. 2008. New forms of ownership and human resource practices in Vietnam. *Human Resource Management*, 47(1): 157-175.
- Zhu, Y., & Verstraeten, M. 2013. Human resource management practices with Vietnamese characteristics: a study of managers' responses. *Asia Pacific Journal of Human Resources*, 51(2): 152-174.

CHAPTER 8

CONCLUSION

8.1. Review

The purpose of this chapter is to provide a conclusion for the doctoral research. This thesis comprised four studies providing a broader understanding of Vietnam's HRM development over the past 30 years and how line managers in Vietnamese organisations perceive the effectiveness of the HR department. A summary of the research questions and research objectives is presented in section 8.2, the main findings of the four studies are summarised in section 8.3, and the significance of the theoretical contributions is discussed in section 8.4. This discussion is followed by a section considering the practical implications of the study's findings for the HRM profession in Vietnam (section 8.5). Lastly, there is a discussion about potential limitations of the research, as well as suggestions for the way forward for other scholars to conduct studies to understand the roles, influence and involvement of the HR department in ensuring line managers' acceptance of the HRM function (section 8.6).

As outlined in the Introduction (see Chapter 1), the first purpose of this doctoral research was to provide a systematic understanding of HRM development in Vietnam over the last 30 years, the second purpose was to identify the determinants and consequences of the HR department's effectiveness in the HRM-performance relationship, and the last purpose was to identify any sectorial differences between public and private sectors in relation to line managers' evaluation on HR department effectiveness. The next section summaries the research questions and research objectives in accordance with these three purposes.

8.2. Summary of Research Questions and Research Objectives

This thesis consisted of five research questions and six research objectives. The five research questions of this thesis are:

Research Question 1 (RQ1)

How has HRM in Vietnam emerged, developed and evolved in relation to changes in HRM research over the past 30 years?

Research Question 2 (RQ2)

How have changes in the economic development and institutional environment of Vietnam influenced HRM research in Vietnam since Vietnam joined the global market?

Research Question 3 (RQ3)

What factors determine the effectiveness of the HR department in an organisation?

Research Question 4 (RQ4)

What contributions can the HR department make to the organisation when the department is perceived to be effective?

Research Question 5 (RQ5)

Are there any sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department?

Six research objectives were associated with these research questions: (1) to examine the influence of Vietnam's economic development stages and institutional features on HRM development in Vietnam; (2) to test the impact of formal authority on the perceptions of the HR department's effectiveness; (3) to investigate whether an organisation's HR orientations determine its HRM implementation and the perceptions of the HR department's effectiveness; (4) to test if an organisation's strategic orientations influence the roles and status of the HR department; (5) to identify the HR department's contribution to the organisation; and (6) to test whether there are

differences in line managers' perceptions of the HR department's effectiveness between public and private sector organisations. The next section presents the research findings.

8.3. Summary of Research Findings

This doctoral research comprises four studies (that is, PhD pathway 2 requirement instead of the typical PhD pathway 1). To answer RQ1 and RQ2 as well as to achieve the first research objective, Study 1 utilised a lens of institutional theory to examine the influence of Vietnam's contextual conditions on HRM development over the last 30 years. This doctoral thesis provided an understanding of how HRM has emerged, developed, and evolved in Vietnam through the utilisation of a lens of institutional theory and a content analysis approach using Leximancer technique. The study affirmed that institutional theory is important for a systematic review of HRM development in a particular context, and encourages HRM scholars to explore the history of HRM development in another economy by utilising institutional theory. The research showed evidence that a content analysis approach using Leximancer technique is useful and relevant to explore themes and concepts that emerge in studies. Scholars can adopt the Leximancer technique in their studies using a content analysis approach to identify the relationships between themes and concepts, as well as research directions in their areas.

Study 1 showed that Vietnam's HRM development was associated with the changes in Vietnam's economic system: Doi Moi in 1986, the Asian financial crisis in 1997, and the country's membership of the WTO in 2007. The findings also showed it is possible to use Western concepts to study HRM in Vietnam because globalisation and the presence of foreign investment organisations have introduced HRM and SHRM concepts to local organisations. The association between contextual conditions, such as business strategy and organisational culture, with HRM adoption implied the value of using contingency and institutional perspectives when examining HRM adoption in Vietnam. This systematic review highlighted the gap in understanding the HR

department's roles and status in Vietnam. Study 1 revealed the importance of examining contingent factors that influence the perceptions of the HR department's effectiveness in becoming a strategic part of the organisation.

For scholars who are interested in HRM research in Vietnam, there are a variety of research ideas that need to be explored and investigated in further studies. For example, the area of training and development could be examined in relation to the integration of institutional theory and human capital theory to understand the impacts of institutional contextual factors on the development of core competence and workplace skills in Vietnam. Suggestions for future studies in Vietnam were outlined in Study 1 of this thesis (see Chapter 4).

In order to answer RQ3 and research objectives 3 to 5, three empirical studies were designed to examine a variety of organisational factors that influence the perceptions of the HR department's effectiveness. In particular, the strategic involvement of the HR department was found to be influenced by the perceived formal authority of the HR department (see Study 2) and breadth strategy of the organisation (see Study 4). The role effectiveness of the HR department was found to be determined by an organisation's innovation strategy (see Study 4). The strategic involvement and the roles of the HR department were found to have a positive association with its influence (see Study 2 and Study 4). In Study 3, an organisation's SHRM orientation was found to be determined by its philosophy towards human resources and its commitment to employees. The HR practices implemented in an organisation are affected by its HR philosophy and SHRM orientation. Altogether, these three quantitative studies found that line managers' perceptions of the HR department's effectiveness are dependent on their perceptions of the HR department's strategic involvement, influence, and HR role effectiveness, as well as the department's SHRM orientation and implemented HR practices. Study 4 also established a positive

association between HR department effectiveness and organisational outcomes such as core competence and perceived performance. These key findings are summarised in Figure 1.

Study 2 and Study 3 were both used to answer RQ5 and the sixth objective. The hypothesis that there are sectorial differences (public versus private) in how line managers evaluate the effectiveness of the HR department was fully supported by the empirical data. Specifically, the public sector line managers in this study perceived that their HR departments possessed formal authority in their organisations while the private sector line managers did not report a high level of formal authority of the HR department. HR philosophy and the implemented HR practices have no statistical path relationship in the public sector. By contrast, private sector line managers reported a positive and significant association between HR philosophy and implemented HR practices. In addition, the relationship between SHRM orientation and implemented HR practices in the public sector was stronger than in the private sector. The association between implemented HR practices and the HR department's effectiveness, however, was stronger in the private sector than in the public sector.

The current research utilised different analytic techniques to ensure the face, content and discriminant validity of the measurement scales used, to test how well the model fitted the data, and to validate the research findings. The study affirmed that the covariance-based SEM approach is relevant for a large sample size while PLS-SEM is applicable to a small sample size when testing complicated hypothesised relationships (Byrne, 2009; Chin, 1998; Hair et al., 2010). The PROCESS macro approach for *SPSS version 22* (Hayes, 2013) employed in this thesis was useful for testing mediating and moderating effects with a 95% confidence interval based on 10,000 bootstrap samples. The study showed that the PROCESS macro can be used in a test for a single moderator (see Study 4) or multiple mediators (see Study 2). Scholars can employ the PROCESS

macro approach to analyse mediating or moderating effects as well as moderated mediation or mediated moderation models. Finally, the study followed Podsakoff et al.'s (2003) suggestions to conduct different tests for common method bias, namely: (1) Harman's single factor, (2) a marker variable, and (3) a common latent factor. Studies using survey questionnaires can use these tests to check for common method bias. The three tests provided some reassurance that common method bias was not a major issue in this study.

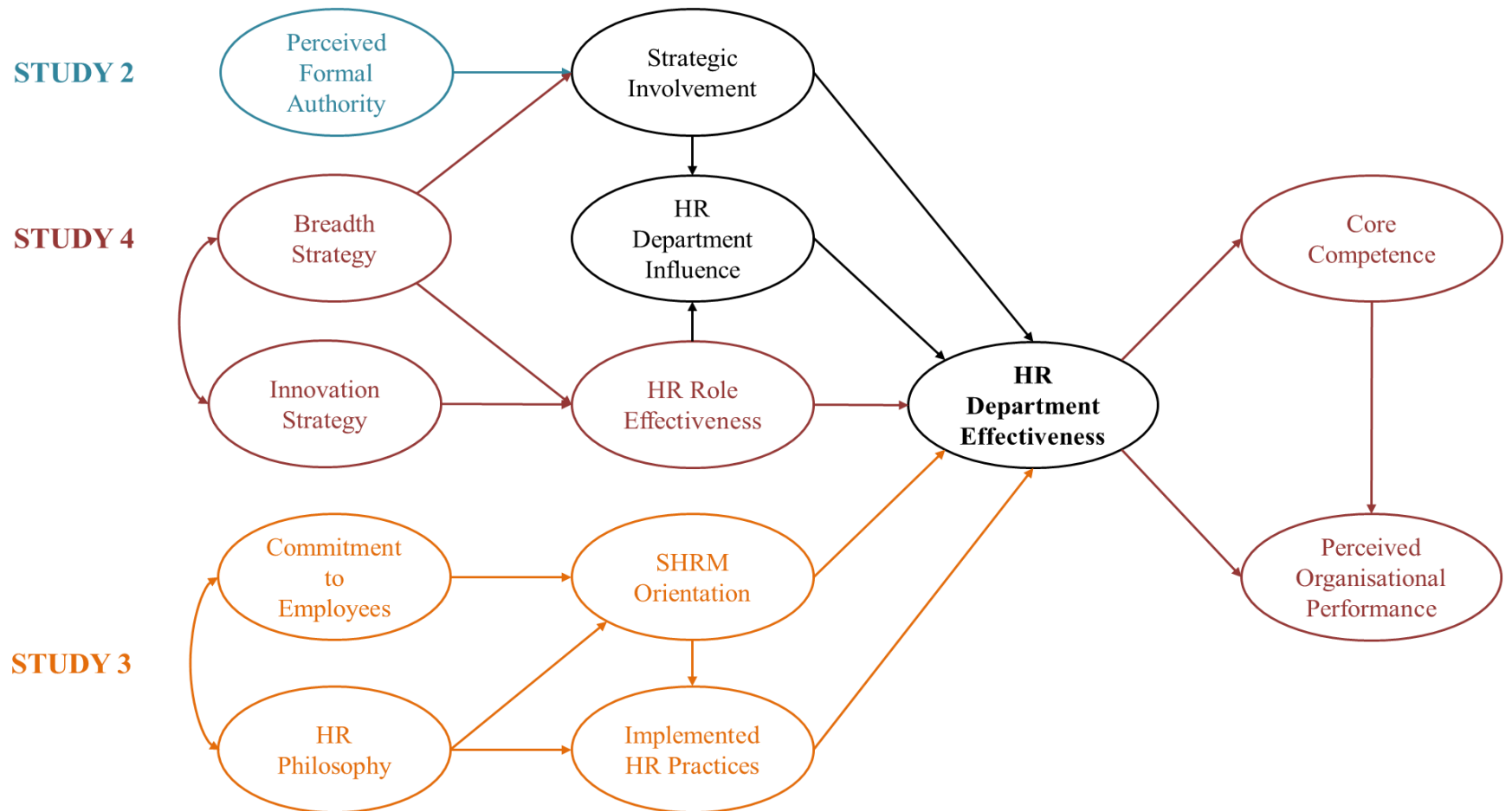


Figure 1. Antecedents and Consequences of HR Department Effectiveness

Note: Findings in Study 2 are in aqua, Findings in Study 3 are in orange, and findings in Study 4 are in red. Common constructs between studies are in black.

8.4. Theoretical Contributions

As stated by scholars such as Li (2012), Meyer (2006, 2007), and Tsui (2007), it is important to conduct indigenous HRM research that reflects the unique characteristics of the Vietnamese context. This study provided some significant insights into HRM in the context of Vietnam, such as the hybrid adoption of HRM – including personnel management, HRM and SHRM – found in Vietnamese organizations (see Study 1), and the differences between public and private sector organisations due to their distinctively different management systems (see Study 2 and Study 3). The bureaucratic culture and hierarchical structure found in the public sector are rooted from the country's centrally planned economic system, whereas the flatter structure and less bureaucratic management systems found in the private sector are rooted from Doi Moi (Vietnam's economic reform in 1986) and the globalisation. These features reflect Vietnam's unique and local context. Findings in this thesis are able to inform some suggestions to future studies.

For this research, four studies were conducted to answer five questions:

- Study 1 – Development of human resource management in Vietnam: A semantic analysis.
- Study 2 – Perceived formal authority and the effectiveness of the HR department in Vietnam.
- Study 3 – HR orientations and HR department effectiveness in Vietnam.
- Study 4 – Line managers' perceptions of HR department effectiveness and organisational performance in Vietnam.

Each study aimed to provide a logical progression for understanding the contributions of the HR department in Vietnamese organisations. This section provides an integration of the overall theoretical implications of this doctoral research. This

discussion is important as it shows the significance of the current thesis. The research makes four theoretical contributions to the extant HRM literature.

8.4.1. A Systematic Understanding of HRM Development in Vietnam

RQ1 and RQ2 reflected the aim of examining the influence of Vietnam's economic growth and institutional changes on HRM evolution and directions for future HRM research. It is important to examine the contextual conditions of a particular environment to identify causes and consequences of organisational phenomena and practices within this context (Child & Marinova, 2014; Johns, 2006). The background of a country's context is vital in explaining the isomorphic adoption of HRM in organisations within its setting (e.g., Boon et al., 2009; Gooderham et al., 1999). Study 1 used Leximancer software to conduct a semantic analysis of 30 years of published articles on HRM in Vietnam. This particular technique is yet to be widely used in HRM literature and it allows a systematic and semantic understanding of HRM development in Vietnam. While prior studies have tended to use institutional theory to examine HRM adoption of multinational companies in their host countries (e.g., Kostova & Roth, 2002; Lawler et al., 2011), the present doctoral research emphasised the utilisation of institutional theory by studying the development of HRM in a developing economy. This study also highlighted the importance of institutional theory in examining contextual underpinnings of HRM development. Findings in this study provided ample evidence of context-specific factors and their effects on the transformation of HRM in accordance with three key stages of Vietnam's economic development: Doi Moi in 1986, the Asian financial crisis in 1997, and the country's membership of the WTO in 2007. The current study offered a unique perspective using a logical identification of the HRM transformation in Vietnam. The study also showed a combination of dominant personnel management practices with the diffusion of HRM, and the beginning of SHRM adoption in Vietnam.

Eventually, the overall analysis of 100 published journal articles allowed the researcher to identify prominent themes and concepts in Vietnam's HRM literature and to review a variety of research methods in previous studies. Based on these results, questions about "what" and "how" the HRM function can be more strategic and effective were outlined. In addition, the research's findings supported the contingency theory by showing the association between contextual factors and HRM (Clinton & Guest, 2013; Delery & Doty, 1996; Jackson & Schuler, 1995). In particular, the current doctoral research suggested considering factors such as business strategy, organisational culture, and HR practices (see Figure 2 in Study 1, page 137). This finding indicated that it is important to examine the impacts of contextual conditions when investigating the perceptions of the HR department's roles, status and effectiveness. In particular, the research suggested considering factors such as business strategy, organisational culture, and HR practices. These contingent factors are seen to have an influence on HRM adoption and HRM legitimacy within an organisation (e.g., Boon et al., 2009; Galang et al., 1999; Gooderham et al., 1999; Zhu et al., 2008). They may have an impact on how line managers perceive the HR department's roles, status, and effectiveness. Therefore, the following empirical studies in this thesis contributed to the extant literature for how these factors influence line managers' perceptions of the HR department's effectiveness.

8.4.2. Antecedents and Consequences of the HR Department's Effectiveness

Three empirical studies were designed to explore the determinants (see RQ3) and consequences of HR department effectiveness (see RQ4). Prior studies have shown the relationship between symbolic actions such as HR strategic involvement and influence on the evaluation of the HR department's effectiveness (Galang & Ferris, 1997; Sheehan et al., 2007; Teo & Rodwell, 2007). Some studies concentrated on the support of CEOs for HRM (Kelly & Gennard, 2007; Sheehan et al., 2007), or how competencies of HR practitioners (Ulrich et al., 2009) affect the perceptions of the HR department's

effectiveness. However, these studies were conducted in countries where the HRM profession is now more advanced and progressive than it was when the first articles on HRM were published in the early 1980s. As reviewed in Chapter 2, there has been little empirical evidence and theoretical development on HR roles, the HR department's involvement, and influence in a developing economy such as Vietnam's. The present study is different from prior studies because it provides empirical evidence showing the influence of an organisation's management system, HR orientations and strategic orientations on line managers' perceptions of HR department effectiveness.

As previously stated, this study was also in response to calls from prominent scholars such as Guest (2011), Kochan (2009), and Welbourne (2009, 2012) to show the conditions for the effectiveness of HRM in organisations. The study's findings also support those of Ferris et al. (2007), Galang and Ferris (1997) and Galang et al. (1999) by showing an additional aspect of the HR department's legitimate status that was derived from the organisation's institutionalised management system. The following sections discuss the thesis's contributions in relation to RQ3 and RQ4.

To the extent of the literature on power and influence of the HR department (Ferris et al., 1995; Ferris et al., 2007; Galang et al., 1999; Russ et al., 1998; Teo & Rodwell, 2007; Ulrich, 1997; Wright et al., 1998), the findings presented in this thesis showed that formal authority had a significant impact on the way line managers perceived the effectiveness of the HR department. The study also affirmed that the possession of formal authority is a vital prerequisite for the HR department to establish an awareness of its strategic involvement and influence. When the HR department holds formal authority, it is able to be more involved and have an influence on the decision-making process among key stakeholders. These symbolic actions will make line managers recognise the strategic contribution of the HR department to the organisation (Galang & Ferris, 1997; Russ et al., 1998; Sheehan et al., 2007).

The study also showed that an organisation's strategic orientations are determinants of the roles and status of the HR department. When organisations pursue either breadth strategy or innovation strategy, line managers can perceive the strategic role played by the HR department in the strategic management process (Buyens & De Vos, 2001; Lam & White, 1998; Teo et al., 2011; Ulrich & Dulebohn, 2015). Likewise, following such strategic orientations provides opportunities for the HR department to increase line managers' perceptions of its vital function via its HR roles, strategic involvement and its influence in the organisation's strategic activities (Golden & Ramanujam, 1985; Schuler, 1992; Wright et al., 1998). The evidence of the impact of strategic orientations on these symbolic actions enriched the perspective of HRM legitimacy suggested by Ferris et al. (2007) and Galang et al. (1999).

The HR department has to deal with conflicting demands of line managers for the implementation of business strategy and operational focuses (Ferris et al., 1995; Galang & Ferris, 1997; Guest & Conway, 2011; Tsui, 1990). The findings in this thesis showed the moderation effect of strategic orientations that has been found in the contingency theory (Bowen et al., 2002; Boxall & Purcell, 2011; Youndt et al., 1996). In Study 4, breadth strategy was found to be essential to increasing line managers' perceptions of the HR department's strategic involvement and influence. Likewise, innovation strategy was found to be important in enhancing line managers' perceptions of the HR department's effectiveness when there is a low level of HR role effectiveness. These findings can be explained through the fact that line managers are important customers of HRM activities at the operational level and key partners of the HR department in the strategic management process. Therefore, the integration of strategic orientations in HRM activities has become a means for the HR department to show its effectiveness.

The influences of HR philosophy, an organisation's commitment to employees, and implemented HR practices on line managers' perceptions of the HR department's effectiveness found in this research also extended the literature on HRM effectiveness (e.g., Monks et al., 2013; Welbourne, 2012; Wright, 2015). Bowen and Ostroff (2004) demonstrated that the strength of an HRM system is important to the effectiveness of HRM. This research has offered an additional feature that is important to the effectiveness of HRM; namely, the alignment of HR philosophy, OCE, SHRM orientation, and implemented HR practices. The research provided empirical findings showing that the integration of HR philosophy and an organisation's commitment to employees would lead to better decisions on plans and practices in managing an intangible asset; that is, human resources. Findings affirmed that organisations with a high level of HR focus will have a high investment in HRM systems in order to utilise human resource capabilities. My research's results signified that line managers are able to take initiatives in response to their evaluation of the HR department's effectiveness. The association between an organisation's HR orientations and the assessment of the HR department's effectiveness is mediated by SHRM orientation and implemented HR practices. The research's findings showed that line managers' perceptions are derived from their philosophy of human resources and experience with HRM activities. The consistency between these constructs will shape a better evaluation of the HR department's effectiveness.

This research also supported prominent arguments that high-performing organisations are characterised by an effective and strategic-oriented HR department (Teo & Rodwell, 2007; Teo et al., 2011; Wright et al., 1998, 2001). The research showed that line managers assessed the HR department's performance positively, a finding which is contrary to prior findings on the perceived strategic value of the HR department (Quang & Thang, 2004; Thang & Quang, 2005b; Truong & van der

Heijden, 2009). To this end, these empirical findings confirm that the HR department holds a key role in creating an organisation's core competence, which is part of the overall performance of that organisation.

8.4.3. Sectorial Differences between Public and Private Sector Organisations

RQ5 highlighted that differences in how line managers evaluate the effectiveness of the HR department are associated with whether they work in the public versus private sector. This finding is consistent with those of earlier studies that have found that ownership type influences HRM adoption (e.g., Bjorkman et al., 2007; Farndale et al., 2008; Gooderham et al., 1999; Thang & Quang, 2005a; Zhu et al., 2008). The emergence of different types of ownership in concept maps in Study 1 implied that HRM research needs to consider the influence of ownership types when examining HRM adoption in a particular context. This thesis presented empirical evidence of how the HR department can gain influence in a context of high formal authority, as seen in organisations in Vietnam, thus adding to the knowledge of the political influence of the HR department (e.g., Ferris & Judge, 1991; Ferris et al., 2007; Sheehan et al., 2007). The current research also supported institutional theory (e.g., Boon et al., 2009; Gooderham et al., 2008) and contingent HRM perspectives (e.g., Jackson & Schuler, 1995; Truss et al., 2002) by showing differences between public and private sectors in how line managers evaluate the effectiveness of HRM implementation.

The HR department's formal authority in public sector organisations reflects its autonomy, independence, and involvement in making decisions and conducting HRM activities. The perceptions of public sector line managers towards the HR department's formal authority can be seen to be reflective of the bureaucratic management system and hierarchical structure that are rooted from a centrally planned economy (Dong et al., 2010; Painter, 2003; Zhu et al., 2008). This kind of organisational structure and culture in the public sector results in the acceptance of formalised positions, power, and

responsibilities of managers and departments. The HR department's possession of formal authority involves the HR department's ability to access organisational resources to accomplish its tasks. Thus, formal authority is an important preliminary step to raise an awareness of the importance and involvement of the HR department among key stakeholders. The research findings echo Kochan's (2009) and Sheehan et al.'s (2007) suggestions that the public sector HR department utilises political and influencing skills to receive support from top management. Such political actions will ensure the legitimate position of the public sector HR department.

In contrast, the research found that line managers working in private sector organisations do not perceive the HR department as having formal authority, a finding that reflects a flatter management structure and less bureaucratic culture in these organisations (Quang & Thang, 2004; Zhu et al., 2008). This management environment and the adoption of modern HRM allows HR departments working in the private sector to share social authority and collaborate with line managers. Thus, private sector line managers are able to evaluate the HR department's effectiveness through their interactions with the department in operational and strategic management processes. This finding affirmed that strategic involvement is an important factor in the private sector HR department gaining recognition of its influence. The findings also implied the collaboration between the HR department and line managers during strategic involvement. This collaboration and the presence of modern HRM in private sector organisations support Perry and Kulik's (2008) perspective about the devolution of HRM to line managers. The findings also implied an advantage for the private sector HR department: if it can transfer its functional and administrative HRM activities to line managers, then the HR department is able to perform its strategic role more effectively.

The Vietnamese economic system consists of characteristics of both a centrally planned economy and a market-oriented system. Therefore, public sector organisations

have less autonomy and self-responsibility for management practices than private sector organisations do. The bureaucratic management system found in Vietnam's public sector organisations reflects the fact that these organisations find it difficult to develop their own policies and practices towards human resources within the government's control. Public sector organisations heavily rely on government regulations and guidance on how to treat their employees (Quang & Thang, 2004; Zhu et al., 2008). Vo and Bartram (2012) found that there is a lack of understanding in public sector organisations of the important role of human resources. The dominance of personnel management practices in public sector organisations also restricts the ability of the HR department to actively learn and adopt new HRM ideas (Vo & Bartram, 2012). These features lead to the absence of HR philosophy in public sector organisations.

The research findings offered support to prior research that acknowledges the value of human resources found in Vietnam's private sector (e.g., Bartram et al., 2009; Truong & van der Heijden, 2009). Learning about modern HRM systems from foreign investment organisations encourages private sector organisations to validate their organisation's beliefs in human resources by implementing modern and Western economy influenced HRM (Zhu et al., 2008; Zhu & Verstraeten, 2013). Therefore, private sector line managers in this research expressed a connection between an organisation's HR orientations and their experience with implemented HR practices when asked to evaluate the HR department's performance. The research also affirmed that there is a possibility to validate Western HRM theoretical frameworks, such as theory of power and influence of the HR department or the HRM decentralisation to the line management, in Vietnam's private sector organisations.

8.5. Managerial Implications

Each of the four studies in this doctoral thesis has managerial implications. This section discusses the key practical implications of the research findings from two perspectives.

Firstly, the discussion examines practical implications in relation to HR practitioners. Specifically, the thesis provides a chance to consider how the HR department in a developing economy could perform more effectively and efficiently. The thesis also discusses implications of how the HR department can be fully recognised by line managers through its involvement and influence within the organisation. Secondly, the thesis addresses implications from line managers' perspective that would reduce the misalignment of how they perceive the value-adding roles and contributions of their HR departments in Vietnamese private and public sector organisations.

8.5.1. Implications for HR Practitioners

8.5.1.1. Knowledge of External Context of Organisations

The findings in this doctoral research provided an insight into how HRM is being perceived by line managers in Vietnam's public and private sector organisations. Research findings indicated a correlation between institutional conditions and HRM development in Vietnam. An understanding of conditions of the external environment is helpful for HR practitioners to diagnose the current state of their organisations including organisational strengths and weaknesses, as well as opportunities and threats in global competition. From this diagnostic step, HR practitioners can initiate new ideas to design and implement more effective HRM activities to leverage employee contributions. HR practitioners should also consider external factors, such as labour market changes or government regulations, to design appropriate HRM activities to develop and retain key employees in organisations. This thesis shows a hybrid application of HRM literature in Vietnamese organisations. For instance, the research found that HRM in private sector organisations is more advanced and more effective than HRM in public sector organisations. Private sector HR managers seemed to be influenced by the Western models such that it appears to have led to an increase in the effectiveness of the HR department's performance (Nguyen et al., 2013).

8.5.1.2. Roles of the HR Department

The research found that line managers positively evaluate the effectiveness of the HR department's roles. The findings implied that line managers in Vietnam expect the HR department to perform HR roles at both operational and strategic levels. These findings provided empirical support for my earlier research (see Nguyen et al., 2013) based on a qualitative study of a small sample of HR and line managers. My findings showed that HR departments in Vietnamese organisations play roles similar to those played by their counterparts in Western organisations (see Ulrich, 1997). These multiple roles include administrative expert, employee champion, change agent, and strategic partner. A clear understanding of the HR roles framework developed by Ulrich (1997) could be useful for HR practitioners who are attempting to enhance line managers' recognition of their contributions to the organisation. Thus, HR practitioners need to be aware of constituent expectations and demands towards these roles. HR practitioners in local organisations can learn and adopt HR role models from foreign investment organisations because these organisations have implemented standardised and modern HRM ideas and practices (Nguyen et al., 2013).

8.5.1.3. Implications for HR Practitioners to Increase Power and Influence

In addition to HR role effectiveness, it is necessary for HR practitioners to improve their essential skills in order to achieve acceptance of the HR department's strategic involvement in the organisation as well as to increase the department's power and influence. Advanced knowledge of HR roles is not enough for HR practitioners to convince other stakeholders to accept the value of the HR department. This thesis showed empirical evidence of antecedents and consequences of the HR department's evaluated effectiveness. In particular, HR practitioners should be aware of the mechanisms that shape the power and influence of the HR department by understanding the organisation's management system and the department's partnership with line

managers. The present study has uncovered the relative importance of mechanisms such as formal authority, an organisation's HR orientations, and the organisation's strategic orientations that could be strategically used to allow HRM function to be more effective.

Implications for Public Sector HR Practitioners

Formal authority is an important factor for public sector HR managers who are working to increase stakeholders' recognition of the HR department's importance. However, the HR department's formal authority comes from the organisation's regulations and rules. To achieve stakeholders' acceptance of HR department effectiveness, public sector HR practitioners should utilise political and influencing skills, as suggested by Ferris and Judge (1991), Sheehan et al. (2007), and Ulrich et al. (2009). For example, skills such as sharing HR-related information or frequently discussing with line managers about HRM strategies are helpful for HR practitioners to increase the HR department's influence (Ulrich et al., 2009). Public sector HR practitioners also need to improve their strategic management skills in order to integrate HRM activities with business decision-making processes (Teo & Rodwell, 2007; Vo & Bartram, 2012). Kelly and Gennard (1996), Teo and Rodwell (2007), and Ulrich et al. (2009) suggested that strategic thinking is important to HRM effectiveness. Public sector HR practitioners should improve their managerial and leadership skills in order to assist the board and line managers effectively in strategic development and implementation.

While public sector organisations are controlled by the government and are less autonomous in their management practices, HR managers in these organisations still need to upskill themselves. Upskilling helps public sector HR managers to acquire necessary and existing HRM knowledge from other organisations and industries. Formal authority of the HR department ensures its involvement in decision making as well as a consultant role to the organisation's board of directors. A combination of the

utilisation of formal authority and improvement of HRM competencies will help public sector HR managers to be autonomous in HRM implementation. This combination will help HR managers to develop the concept of HR philosophy that is connected with HRM activities in the public sector. This integration also offers a chance for the HR department in the public sector to transform personnel management into HRM.

Implications for Private Sector HR Practitioners

Private sector HR practitioners have to consider how to build up their department's credibility and legitimacy. The formation of partnership with line managers is important for HR practitioners in the private sector (Perry & Kulik, 2008). The research findings suggested that HR practitioners can devolve HRM activities to line managers so that HR practitioners and managers can focus on strategic activities (Perry & Kulik, 2008). Becoming a "boundary spanner" of an organisation is also essential for HR managers because they can possess, control and manage important information for dealing with environmental contingencies (Russ et al., 1998).

Private sector HR practitioners should be sensitive with their partnership with line managers and aware of ways to make the HR department more credible and reliable. Although HR philosophy exists in private sector organisations, this thesis suggests that private sector HR practitioners have to understand and integrate the organisation's strategic and HR orientations when developing HRM activities. These activities ensure the consistency and alignment of HRM activities with the organisation's business strategy and commitment towards human resources. Also, private sector HR practitioners should improve their business competence together with mastering professional HRM knowledge and tactics in order to assist line managers in their operational and strategic activities (Kulik & Perry, 2008; Teo & Rodwell, 2007; Ulrich et al., 2009).

Skills for Becoming a Business Partner

This research shows that the HR department in Vietnam has a chance to become a business partner with line managers. An understanding and aligning of HRM activities with either breadth or innovation strategy is important for HR managers. These strategic orientations ensure that line managers recognise and accept the effectiveness of the HR department's roles, strategic involvement and influence (see Study 4). A consideration of the organisation's strategies helps HR managers to choose HRM activities that will develop the human capital necessary for the successful implementation of these strategies. This thesis also suggests that HR practitioners should have knowledge and competencies to carry out various roles at the same time, to balance expectations and demands of managers and employees. Competency in playing multiple roles will positively enhance line managers' perceptions of the HR department's contribution to the organisation (Ferris et al., 2007; Galang & Ferris, 1997; Sheehan et al., 2007).

This research suggests that HR managers need to negotiate the HR department's strategic role with line managers by encouraging them to be willing and ready to share HRM activities with the HR managers (Jones & Saundry, 2012; Kulik & Perry, 2008; Perry & Kulik, 2008). To achieve a greater credibility in this negotiation, it is necessary for HR practitioners to be able to demonstrate technical knowledge and expertise in HRM activities and labour regulations (Huselid et al., 1997). Also, HR managers need to frequently communicate with line managers about the organisation's HRM policies and provide the line managers with support and knowledge of HRM (Ryu & Kim, 2013). Improving their business competence, integration competence and professional knowledge will assist HR managers to collaborate better with line managers (Teo & Rodwell, 2007; Ulrich et al., 2009; Ulrich & Dulebohn, 2015). Personal skills such as time management, problem solving, communication, teamwork, and personal integrity are also important for HR practitioners in decentralising HRM activities to line

managers (e.g., Sheehan et al., 2007; Ulrich et al., 2009). These competencies are important for Vietnamese HR practitioners who wish to become true business partners in their organisation. HR managers can improve their competencies by attending advanced programmes of management development in institutes of higher learning or professional associations.

8.5.2. Implications for Line Managers

It is argued that line managers are not likely to recognise the importance of HRM functions because they find it difficult to measure the return on investment in human capital (e.g., Guest & Conway, 2011; Truss et al., 2002; Tsui, 1990). Also, there is a lack of divisional collaboration in most organisations and a failure of HR practitioners to market their HRM activities in organisational and strategic management. These issues have led to key stakeholders having different perceptions of the importance of the HR department (Guest & Conway, 2011; Kochan, 2009; Ulrich et al., 2009; Welbourne, 2009, 2012).

This research helped line managers to re-evaluate and re-acknowledge the roles and status of the HR department as well as the competence of their HR practitioners. The research participants had a chance to learn about their organisations' orientations towards HR philosophy and strategic orientations, HR roles and implemented HR practices. The line managers also achieved an understanding of their HR departments' status and effectiveness through academic frameworks and research instruments. The line managers were aware that transferring HRM responsibilities from the HR department to line managers would not reduce the importance of HRM functions. The research participants also gained an understanding that sharing HRM activities with HR practitioners creates positive outcomes for the organisation in terms of its core competence and performance. The participants were informed that HR practitioners

could focus on talent management and change management, and align HR strategies with business strategies to assist the organisation in achieving its business goals.

8.6. Limitations and Future Research Implications

Each study in this doctoral thesis had limitations that could potentially reduce the generalisability of the research findings. Each of the four studies also presented limitations and implications for future research. This section discusses the broader limitations of the doctoral research, rather than its methodological reliability (see Chapter 3). This section also provides suggestions for future consideration of these limitations. In addition, implications for further studies will be discussed in relation to the research's limitations.

8.6.1. Source of Studies on HRM in Vietnam

This research used a systematic analytical approach to show the development of HRM research in Vietnam over the last 30 years. Sampling only published articles on HRM in Vietnam from 1984–2013 could potentially have limited the research findings. Other sources such as textbooks or unpublished papers might provide more information related to the business context and the practice of HRM in Vietnam. Future studies should update and expand the search for HRM research in Vietnam from other sources, such as conference papers, newspapers articles, unpublished manuscripts or papers published in Vietnamese. Vietnamese papers could be translated into English for Leximancer semantic analysis.

8.6.2. Research Design

There are a great number of research design strategies that help reduce potential common method bias (Chang et al., 2010; Podsakoff et al., 2003; Spector, 2006). This research followed different procedures suggested by Chang et al. (2010), Podsakoff et al. (2003), and Spector (2006) to minimise the risk of respondents being apprehensive when answering the survey and interview questions. Future empirical research needs to

consider these procedures when designing and managing survey questionnaires. Firstly, in this research, the anonymity and confidentiality of the research was stated clearly in the participant information sheet that was sent to the participants before they agreed to take part in the survey. This procedure helped respondents to understand that their participation is voluntary and there is no right or wrong answer so they can answer the questions as honestly as possible (Chang et al., 2010; Podsakoff et al., 2003). This procedure also reduced the risk of the participants giving responses that they thought were more socially desirable and/or consistent with what the researcher expected (Podsakoff et al., 2003). Future research should inform respondents clearly about their roles, their voluntary participation, and the confidentiality of the survey so that respondents feel comfortable and free to answer a survey without bias.

Secondly, the researcher needs to consider the respondents' knowledge and experience when designing the survey, ensuring that the questions are clearly written, simple, concise, and contain terms that would be familiar to the respondents (Chang et al., 2010; Podsakoff et al., 2003). In the current research, pilot studies in terms of semi-structured in-depth interviews and pilot tests were a primary step to ensure all survey items were translated correctly and would be understandable to Vietnamese line managers. Although these pilot studies were time consuming, the interviews and tests were essential to reduce potential method biases in the surveys. Future studies should follow this procedure when designing empirical surveys that use validated scales from prior studies in the West.

Thirdly, in Study 2, the strategic involvement of the HR department was measured on a five-point Likert scale from "1" = extremely uninvolved to "5" = extremely involved, while formal authority of the HR department was measured from "1" = strongly disagree to "5" = strongly agree. Likewise, in Study 4, the respondents were asked to evaluate their HR department's effectiveness on a Likert scale from "1" =

extremely ineffective to “5” = extremely effective, while organisational performance was measured from “1” = worst to “5” = much better. Although the current research used the same scale endpoint from “1” to “5” to measure all latent constructs, the different criterion measures may have helped to reduce method biases. Future studies could use various scale endpoints and an arrangement for the indicator and standard measures to lessen method biases caused by commonalities in scale endpoints and protected effects (Chang et al., 2010; Podsakoff et al., 2003). Lastly, future research could order the questionnaire items randomly and use different scales and constructs in such a way that common method variance cross dependent, independent, and control variables. This research followed the approach of a random order of items to ensure that respondents cannot easily foresee the expected correlation between constructs, which would create a biased pattern to their responses (Chang et al., 2010). Future studies can use survey software to order questionnaire items randomly.

8.6.3. Sources of Respondents and Research Instruments

Podsakoff et al. (2003) argued that common method bias is a potential methodological limitation, especially when data are collected from a single source and/or a cross-sectional design, and when using subjective measurements. Three different tests were conducted for checking common method bias in the research data. Harman’s single factor was utilised in the three quantitative studies. Following suggestions by Rafferty and Griffin (2004), a “Bureaucracy” construct was used as a marker variable. Study 3 also performed a common latent factor test to check for common method variance in the data. It is noted that these tests only helped to re-assure that common method bias may not be a major issue in this doctoral thesis (Podsakoff et al., 2003).

8.6.3.1. Sources of Respondents

The nature of a cross-sectional study with a single source of respondents may be a potential limitation for the generalisability of research findings. Despite different tests

for common method bias, a single source of respondents should always be interpreted with care (Podsakoff et al., 2003). Future studies need to be aware that a cross-sectional study and a single source of respondents are limitations that can affect the findings.

Chang et al. (2010) and Spector (2006) said that when perceptual dependent and independent variables are collected from the same source of respondents, common method bias can be a serious concern in self-report data. Therefore, to minimise common method bias, future studies should collect data from different sources for the dependent variable(s) and the independent variables (Chang et al., 2010). For example, line managers and employees within organisations can be a source for collecting perceptions of the HR department's effectiveness, CEOs can be a source for collecting perceptions of strategic orientations, HR philosophy and an organisation's commitment to employees, and HR managers can complete a self-report about the implementation of HRM within their organisations. Collecting data from different sources of respondents and different levels (organisational versus individual levels) may resolve common method bias (Chang et al., 2010; Spector, 2006). Also, different informants will lead to a comparative understanding of different views of the deployment of HRM in Vietnamese organisations (Tsui, 1990). If it is not possible to approach different sources of respondents, future studies can collect data at different points of time, which might also help to reduce common method bias (Chang et al., 2010).

The HRM contingency and institutional theories argue that different industrial characteristics or organisational size may result in different strategic orientations and economic activities (e.g., Bjorkman et al., 2007; Gooderham et al., 1999; Jackson & Schuler, 1995). These features may lead to different ways of perceiving the important role of HRM in the success of the organisation. Thus, future studies can replicate this doctoral thesis to investigate the effectiveness of HRM in a specific type of ownership, specific firm size, or a particular industrial sector in Vietnam. Furthermore, this thesis

was undertaken in Ho Chi Minh City, which is one of the most important business and commercial areas in Vietnam. Line managers who participated in this research have opportunities to know and learn about advanced and modern HRM ideas from postgraduate business programmes and business collaborations. Future studies should examine line managers from other Vietnamese regions or cities in order to validate the value of these research findings and to generalise research models. In addition, future examinations involving samples from other contexts with similar or different historical backgrounds, economic development stages, cultural values and institutional changes should be made. These further examinations would be valuable because the generalisability of the findings presented in this thesis would have greater validity.

8.6.3.2. Research Instruments

Another issue to consider is the use of subjective performance measurements (Podsakoff et al., 2003; Spector, 2006). Scholars such as Delaney and Huselid (1996) and Wall et al. (2004) found a strong correlation between objective and subjective measurement of organisational performance. In addition to the validation of research instruments from prior studies, the measurements used in this research were tested and re-tested by a panel that included HRM experts, HR managers and line managers from different organisations. Thus, the researcher is confident about the reliability and validity of the instruments used in the four studies, given that they were independently evaluated as being applicable to the Vietnamese context.

Future studies should re-consider the use of objective measurements in order to minimise common method bias because such measurements can distort human judgements (Podsakoff et al., 2003; Spector, 2006). Most organisations do not publish their financial performance if they are not publicly listed companies. Thus, future studies could use data that indicates an organisation's performance (e.g., financial performance, return on investments, sales indicators, or turnover rate) and asking

respondents to compare their organisation's performance with that of similar organisations in the same sector over a specific period of time (Mitchell et al., 2013; Youndt et al., 1996). Podsakoff et al. (2003) highlighted that it is necessary to conduct longitudinal studies in order to minimise common method bias when using subjective measurements. Thus, future studies on HRM effectiveness could collect data in multiple waves to help to reduce common method bias (Youndt et al., 1996). For example, a future study could collect data from line managers and HR managers in the same organisations in two waves. In both waves, the researcher would ask line managers to rate the effectiveness of their HR departments and HRM implementation while their HR managers rate the effectiveness of HRM activities. In wave 2, the study would ask HR managers to report the HR department's effectiveness. The study then matches line manager and HR manager samples to examine the HR department's effectiveness.

While this research exploits Western theories and concepts in the Vietnamese context, the development of localised constructs are essential for future indigenous studies (Li, 2012; Meyer, 2006, 2007). Vietnam has a culture and institutional system that are distinctively different from those found in Western economies (e.g., Zhu et al., 2007; Zhu et al., 2008). Thus, future studies should develop scales that reflect Vietnam's unique cultural and institutional features. For example, while this research adopted instruments used in prior studies to measure formal authority and HR philosophy, future studies could develop localised constructs. The development of new scales for qualitative or mixed method studies requires more effort (Li, 2012; Meyer, 2006, 2007).

In addition, this thesis also highlights the possibility of the adoption of Western HRM frameworks in the private sector in Vietnam. Future studies could validate the framework of HR devolution to line managers (e.g., Perry & Kulik, 2008) in the private sector or investigate the political influencing behaviours that contribute to power and

influence of the HR department in the public sector (i.e., Ferris & Judge, 1991; Sheehan et al., 2007).

8.7. Summary

This thesis examined the contextual conditions for HRM development and the effectiveness of HRM in Vietnam. The thesis provided a systematic understanding of HRM evolution in relation to Vietnam's economic growth over the past 30 years. The research findings contributed to the literature's valuable insights into the antecedents and consequences of HR department effectiveness. In particular, this research found empirical evidence of the influence of the HR department's formal authority on the perceptions of its status and effectiveness. The research also found empirical evidence that an organisation's HR orientations had an impact on the effectiveness of HRM implementation and the evaluation of HR department performance. This doctoral thesis added to the evidence in existing literature of the impact of strategic orientations on the roles and status of the HR department's effectiveness. The research identified the contribution of the HR department to the development of core competence and overall performance of an organisation.

To conclude, research into strategic HRM area in Vietnam and other contexts should continue to provide in-depth understanding of the determinants and relative value added by the HR department in different regions, diverse types of organisations and different industrial sectors. The researcher would welcome any future replication research and the chance to work together with academics and practitioners to use different sources of data or with longitudinal studies in similar or different institutional characteristics.

References of the Thesis

- Ackroyd, S., Kirkpatrick, I., & Walker, R. M. (2007). Public management reform in the UK and its consequences for professional organization: A comparative analysis. *Public Administration*, 85(1), 9-26.
- Adams, A., & Cox, A. L. (2008). Questionnaires, in-depth interviews and focus groups. In P. Cairns & A. L. Cox (Eds.), *Research methods for human computer interaction* (pp. 17-34). Cambridge: Cambridge University Press.
- Aldrich, P., Dietz, G., Cleark, T., & Hamilton, P. (2015). Establishing HR professionals' influence and credibility: Lessons from the capital markets and investment banking sector. *Human Resource Management*, 54(1), 105-130.
- Alfes, K., Truss, C., Soane, E. C., Rees, C., & Gatenby, M. (2013). The relationship between line manager behavior, perceived HRM practices, and individual performance: examining the mediating role of engagement. *Human Resource Management*, 52(6), 839-859.
- Alper, S. W., & Russell, E. M. (1984). What policies and practices characterise the most effective human resource department. *Personnel Administrator*, 29(11), 120-125.
- Alvesson, M. (2009). Critical perspectives on strategic HRM. In J. Storey, P. M. Wright & D. Ulrich, *The Routledge companion to strategic human resource management* (pp. 52-67). Abingdon: Routledge.
- Anderson, J., & Gerbing, D. (1984). The effect of sampling error on convergence, improper solutions, and goodness-of-fit indices for maximum likelihood confirmatory factor analysis. *Psychometrika*, 49(2), 155-173.
- Anderson, J., & Gerbing, D. (1988). Structural equation modeling in practice: A review and recommendation two-step approach. *Psychological Bulletin*, 103, 411-423.

- Armstrong, M. (2011). *Armstrong's handbook of strategic human resource management* (5th ed.). London, Philadelphia: Kogan Page.
- Aronson, J. (1994). A pragmatic view of thematic analysis. *The Qualitative Report*, 2(1). Retrieved from <http://www.nova.edu/ssss/QR/BackIssues/QR2-1/aronson.html>
- Arthur, J. B., & Boyles, T. (2007). Validating the human resource system structure: a levels-based strategic HRM approach. *Human Resource Management Review*, 17(1), 77-92.
- Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover. *The Academy of Management Journal*, 37(3), 670-687.
- Attride-Stirling, J. (2001). Thematic networks: an analytic tool for qualitative research. *Qualitative Research*, 1(3), 385-405.
- Aycan, Z. (2005). The interplay between cultural and institutional/structural contingencies in human resource management practices. *The International Journal of Human Resource Management*, 16(7), 1083-1119.
- Bae, J., Chen, S. J., & Lawler, J. J. (1998). Variations in human resource management in Asian countries: MNC home-country and host-country effects. *The International Journal of Human Resource Management*, 9(4), 653-670.
- Bae, J., & Lawler, J. J. (2000). Organisational and HRM strategies in Korea: Impact on firm performance in an emerging economy. *The Academy of Management Journal*, 43(3), 502-517.
- Bae, J., & Rowley, C. (2004). Macro and micro approaches in human resource development: context and content in South Korea. *Journal of World Business*, 39(4), 349-361.
- Baird, L., & Meshoulam, I. (1988). Managing two fits of strategic human resource management. *Academy of Management Review*, 13(1), 116-128.

- Barney, J. B. (1986). Organizational culture: can it be a source of sustained competitive advantage? *Academy of Management Review*, 11(3), 656-665.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Barney, J. B. (1995). Looking inside for competitive advantage. *Academy of Management Executive*, 9(4), 49-61.
- Barney, J. B., & Wright, P. M. (1998). On becoming a strategic partner: the role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1), 31-46.
- Barney, J. B., Ketchen Jr., D., & Wright, M. (2011). The future of resource-based theory: Revitalization or decline? *Journal of Management*, 37(5), 1299-1315.
- Bartram, T., Stanton, P., & Thomas, K. (2009). Good morning Vietnam: new challenges for HRM. *Management Research News*, 32(10), 891-904.
- Batt, R., & Herman, M. (2012). Global human resource management: Bringing strategic and institutional perspectives. In J. J. Martocchio, A. Joshi & H. Liao (Vol. 31), *Research in personnel and human resources management* (pp. 1-52). Bingley, U.K.: Emerald.
- Baumgartner, H., & Homburg, C. (1996). Applications of structural equation modeling in marketing and consumer research: A review. *International Journal of Research in Marketing*, 13(2), 139-161.
- Becker, B., & Gerhart, B. (1996). The impact of human resource management on organizational performance: progress and prospects. *Academy of Management Journal*, 39(4), 779-801.
- Becker, B. E., & Huselid, M. A. (2006). Strategic human resource management: where do we go from here? *Journal of Management*, 32(6), 898-925.

- Becker, B. E., Huselid, M. A., Pickus, P. S., & Spratt, M. F. (1997). HR as a source of shareholder value: Research and recommendations. *Human Resource Management, 36*(1), 39-47
- Beer, M., Spector, B., Lawrence, P., Quinn Mills, D., & Walton, R. (1985). *Human resource management: A general manager's perspective*. Glencoe: Free Press.
- Bennett, N., Ketchen, D. J., & Schultz, E. B. (1998). An examination of factors associated with the integration of human resource management and strategic decision making. *Human Resource Management, 37*(1), 3-16
- Bentler, P. M. (1988). Causal modeling via structural equation systems. In J. R. Nesselroade & R. B. Cattell (Eds.), *Handbook of multivariate experimental psychology* (pp. 317-335). New York: Plenum.
- Berrell, M., Wright, P., & Hoa, T. T. V. (1999). The influence of culture on managerial behaviour. *Journal of Management Development, 18*(7), 578-589.
- Bhatnagar, J., & Sharma, A. (2005). The Indian perspective of strategic HR roles and organizational learning capability. *The International Journal of Human Resource Management, 16*(9), 1711-1739.
- Bhatnagar, J. (2007). Predictors of organizational commitment in India: strategic HR roles, organizational learning capability and psychological empowerment. *The International Journal of Human Resource Management, 18*(10), 1782-1811.
- Bjorkman, I., Ehrnrooth, M., Smale, A., & John, S. (2011). The determinants of line management internalisation of HR practices in MNC subsidiaries. *The International Journal of Human Resource Management, 22*(8), 1654-1671.
- Bjorkman, I., Fey, C. F., & Park, H. T. (2007). Institutional theory and MNC subsidiary HRM practices: Evidence from a three-country study. *Journal of International Business Studies, 38*(3): 430-446.
- Blaikie, N. (2000). *Designing social research*. Cambridge: Polity Press.

- Blaikie, N. (2010). *Designing social research* (2nd ed.). Cambridge: Polity Press.
- Boehm, S. A., Dwertmann, D. J. G., Kunze, F., Michaelis, B., Parks, K. M., & McDonald, D. P. (2014). Expanding insights on the diversity climate - performance link: The role of workgroup discrimination and group size. *Human Resource Management, 53*(3), 379-402.
- Boon, C., Paauwe, J., Boselie, P., & Hartog, D. D. (2009). Institutional pressures and HRM: developing institutional fit. *Personnel Review, 38*(5), 492-508.
- Borton, L. (2000). Working in a Vietnamese voice. *Academy of Management Executive, 14*(4), 20-29.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management, 15*(3), 67-94.
- Bowen, D. E., Galang, C., & Pillai, R. (2002). The role of human resource management: an exploratory study of cross-country variance. *Human Resource Management, 41*(1), 103-122.
- Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-firm performance linkage: The role of the “strength” of the HRM system. *Academy of Management Review, 29*(2), 203-221.
- Boxall, P., & Purcell, J. (2000). Strategic human resource management: where have we come from and where should we be going? *International Journal of Management Reviews, 2*(2), 183-203.
- Boxall, P., & Purcell, J. (2010). An HRM perspective on employee participation. In A. Wilkinson, P. J. Gollan, M. Marchington & D. Lewins (Eds.), *The Oxford handbook of participation in organizations* (pp. 29-51). Oxford: Oxford University Press.
- Boxall, P., & Purcell, J. (2011). *Strategy and human resource management* (3rd ed.). Basingstoke, Hampshire: Palgrave Macmillan.

- Boxall, P. F., & Purcell, J. (2003). *Strategy and human resource management*. Basingstoke: Palgrave Macmillan.
- Boxall, P., Purcell, J., & Wright, P. (2007). The goals of HRM. In P. Boxall, J. Purcell, J. & P. Wright (Eds.), *The Oxford handbook of human resource management* (pp. 1-18). Oxford: Oxford University Press.
- Boyatzis, R. E. (1998). *Thematic analysis and code development – transforming qualitative information*. Sage Publications.
- Brandl, J., & Pohler, D. (2010). The human resource department's role and conditions that affect its development: Explanations from Austrian CEOs. *Human Resource Management, 49*(6), 1025-1046.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology, 3*, 77-101.
- Brewster, C. (1995). Towards a 'European' model of human resource management. *Journal of International Business Studies, 26*(1), 1-21.
- Brewster, C. (2004). European perspectives on human resource management. *Human Resource Management Review, 14*(4), 365-382.
- Brewster, C. (2007). Comparative HRM: European views and perspectives. *The International Journal of Human Resource Management, 18*(5), 769-787.
- Brewster, C., & Smith, C. (1990). Corporate strategy. A no-go area for personnel? *Personnel Management, 22*(7), 36-40.
- Brewster, C. Gollan, P. J., & Wright, P. M. (2013). Guest editors' note: Human resource management and the line. *Human Resource Management, 52*(6), 829-838.
- Brewster, C., Tregaskis, O., Hegewisch, A., & Mayne, L. (1996). Comparative research in human resource management: a review and an example. *The International Journal of Human Resource Management, 7*(3), 585-604.

- Brislin, R. W. (1970). Back translation for cross-cultural research. *Journal of Cross-Cultural Psychology*, 1(3), 185-216.
- Brown, M., Metz, I., Cregan, C., & Kulik, C. T. (2009). Irreconcilable differences? Strategic human resource management and employee well-being. *Asia Pacific Journal of Human Resources*, 47(3), 270-294.
- Brunetto, Y., Farr-Wharton, R., & Shacklock, K. (2011). Supervisor-nurse relationships, teamwork, role ambiguity and wellbeing: Public versus private sector nurses. *Asia Pacific Journal of Human Resources*, 49(2), 143-164.
- Bryman, A., & Bell, E. (2011). *Business research methods* (3rd ed.). Oxford: Oxford University Press.
- Budd, J. (2004). *Employment with a human face: Balancing efficiency, equity, and voice*. Ithaca, NY: Cornell University Press.
- Budhwar, P., & Debrah, Y. (2009). Future research on human resource management systems in Asia. *Asia Pacific Journal of Management*, 26(2), 197-218.
- Budhwar, P. S., & Debrah, Y. (2001). Rethinking comparative and cross-national human resource management research. *The International Journal of Human Resource Management*, 12(3), 497-515.
- Buller, P. F. (1988). Successful partnerships: HR and strategic planning at eight top firms. *Organisational Dynamics*, 17(2), 27-43.
- Butler, J., Ferris, G., & Napier, N. (1991). *Strategy and human resources management*. Cincinnati: South-Western.
- Buyens, D., & De Vos, A. (2001). Perceptions of the value of the HR function. *Human Resource Management Journal*, 11(3), 70-89.
- Byrne, B. M. (2009). *Structural equation modelling with AMOS: Basic concepts, applications, and programming* (2nd ed.). New York: Routledge.

- Caldwell, R., (2003). The changing roles of personnel managers: old ambiguities, new uncertainties. *Journal of Management Studies*, 40(4), 983-1004.
- Caldwell, R. (2011). HR directors in UK boardrooms: a search for strategic influence or symbolic capital? *Employee Relations*, 33(1), 40-63.
- Cappelli, P., & Crocker-Hefter, A. (1996). Distinctive human resource are firms' core competencies. *Organizational Dynamic*, 24(3), 6-22.
- Cappelli, P., & Newmark, D. (2001). Do 'high-performance' work practices improve establishment-level outcomes? *Industrial and Labour Relations*, 54(4), 737-775.
- Cappelli, P., & Sherer, P. D. (1991). The missing role of context in OB-the need for a meso-level approach. *Research in Organizational Behavior*, 13, 55-110.
- Carnevale, A. P., Gainer, L. J., & Meltzer, A. S. (1990). *Workplace basics training manual. A publication of the American Society for Training and Development.* San Francisco, CA: Jossey-Bass Publishers.
- Carter, S., & Hendersonm L. (2005). Approaches to qualitative data collection in social science. In A. Bowling & S. Ebrahim (Eds.), *Handbook of health research methods: investigation, measurement and analysis* (pp. 215-230). UK: Open University Press.
- Cascio, W. F. (2005). From business partner to driving business success: The next step in the evolution of HR management. *Human Resource Management*, 44(2), 159-163.
- Cavana, R. Y., Delahaye, B. L., & Sekaran, U. (2001). *Applied business Research: qualitative and quantitative methods.* Australia: John Wiley and Sons.
- Chang, P. L., & Chen, W. L. (2002). The effect of human resource management practices on firm performance: Empirical evidence from hi-tech firms in Taiwan. *International Journal of Management*, 19(4), 622-631.

- Chang, S. J., Van Witteloostuijn, A., & Eden, L. (2010). From the editors: Common method variance in international business research. *Journal of International Business Studies*, 41(2), 178-184.
- Chen, S., & Bouvain, P. (2009). Is corporate responsibility converging? A comparison of corporate responsibility reporting in the USA, UK, Australia, and Germany. *Journal of Business Ethics*, 87(1), 299-317.
- Child, J., & Marinova, S. (2014). The role contextual combinations in the globalization of Chinese firms. *Management and Organizational Review*, 10(3), 347-371.
- Chin, W. W. (1998). Contemporary: Issues and opinion on structural equation modeling. *MIS Quarterly*, 22(1), vii-xvi.
- Chung, H. S., & Kang, S-C. (2013). Sources of HR department power: scale development and validation. *Seoul Journal of Business*, 19(2), 95-126.
- Clinton, M., & Guest, D. E. (2013). Testing universalistic and contingency HRM assumptions across job levels. *Personnel Review*, 42(5), 529-551.
- Coakes, S. J. (2006). *SPSS: Analysis without any anguish: version 14.0 for Windows*. Milton John Wiley & Sons.
- Colbert, B. A. (2004). The complex resource-based view: Implications for theory and practice in strategic human resource management. *The Academy of Management Review*, 29(3), 341-358.
- Cole, G. A. (2002). *Personnel and human resource management* (5th ed.). London: Continuum.
- Collins, M. S., & Smith, C. E. (2006). Knowledge exchange and combination: The role of human resource practices in the performance of high technology firms. *Academy of Management Journal*, 49(3), 544-560.
- Collins, N., Zhu, Y., & Warner, M. (2012). HRM and Asian socialist economies in transition: China, Vietnam and North Korea. In C. Brewster & W. Mayrhofer,

- Handbook of research on comparative human resource management* (pp. 598-619). Edward Elgar Publishing Limited.
- Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organisational performance. *Personnel Psychology*, 59(3), 501-528.
- Conner, J., & Ulrich, D. (1996). Human resource roles: creating value, not rhetoric. *Human Resource Planning*, 19(3), 38-49.
- Cooke, F. L., & Lin, Z. (2012). Chinese firms in Vietnam: investment motives, institutional environment and human resource challenges. *Asia Pacific Journal of Human Resources*, 50(2), 205-226.
- Cooke, F. L. (2016, February). Context and Context? A critical review of international HRM literature. Paper presented at the Human Resource Division International Conference, University of New South Wales, Kensington, Australia.
- Creswell, J. W. (1998). Data analysis and representation. In *Qualitative inquiry and research design – choosing among five traditions* (pp. 139-165). Sage Publications.
- Cretchley, J., Gallois, C., Chenery, H., & Smith, A. (2010). Conversations between carers and people with Schizophrenia: a qualitative analysis using Leximancer. *Qualitative Health Research*, 20(12), 1611-1628.
- Cretchley, J., Rooney, D., & Gallois, C. (2010). Mapping a 40-year history with Leximancer: themes and concepts in the Journal of Cross-Cultural Psychology. *Journal of Cross-Cultural Psychology*, 41(3), 381-328.
- Cummings, S., & Daellenbach, U. (2009). A guide to the future of strategy? The history of long range planning. *Long Range Planning*, 42(2), 234-263.
- Day, G., & Wensley, R. (1983). Marketing theory with a strategic orientation. *Journal of Marketing*, 47(4), 79-89.

- Davidson, P., Simon, A., Woods, P., & Griffin, R. W. (2009). *Management: Core Concepts and Applications* (2nd ed.). John Wiley & Sons Australia, Milton Queensland.
- Deadrick, D. L., & Stone, D. L. (2014). Human resource management: Past, present, and future. *Human Resource Management Review*, 24(3), 193-195.
- Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *The Academy of Management Journal*, 39(4), 949-969.
- Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of management Journal*, 39(4), 802-835.
- Delery, J. E. (1998). Issues of fit in strategic human resource management: implications for research. *Human Resource Management Review*, 8(3), 289-309.
- DeNisi, A. S., Wilson, M. S., & Biteman, J. (2014). Research and practice in HRM: A historical perspective. *Human Resource Management Review*, 24(3), 219-231.
- Deshpande, R., Farley, J., & Bowman, D. (2004). Tigers, dragons, and others: profiling high performance in Asian firms. *Journal of International Marketing*, 12(3), 5-29.
- Devanna, M. A., Fombrun, C., & Tichy, N. (1981). Human resources management: a strategic perspective. *Organisational Dynamics*, 9(3), 51-67.
- Devanna, M. A., Fombrun, C., Tichy, N., & Warren, L. (1982). Strategic planning and human resource management. *Human Resource Management*, 21(1), 11-17.
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: institutional isomorphism and collective rationality in organisational fields. *American Sociological Review*, 48(2), 147-160.

- Dong, G., Liem, C. G., & Grossman, M. (2010). Knowledge-sharing intention in Vietnamese organizations. *The Journal of Information and Knowledge Management Systems*, 40(3-4): 262-276.
- Dulebohn, J. H., Ferris, G. R., & Stodd, J. T. (1995). The history and evolution of human resource management. In G. R. Ferris, S. D. Rosen & D. T. Barnum (Eds.), *Handbook of human resource management* (pp. 18-41). Cambridge, Mass: Blackwell.
- Dye, C. F. (1990). 10 rules define HR's role. *Personnel Journal*, 69(6), 82-86.
- Dyer, L., & Reeves, T. (1995). Human resource strategies and firm performance: what do we know and where do we need to go? *The International Journal of Human Resource Management*, 6(3), 656–670.
- Dyer, L. (1983). Bringing human resources into the strategy formulation process. *Human Resource Management*, 22(3), 257-271.
- Dyer, L. (1984). Studying human resource strategy: an approach and an agenda. *Industrial Relations*, 23(2), 156-169.
- Dyer, L. (1985). Strategic Human Resource Management and Planning. In *Research in Personnel and Human Resource Management*, 3(1), pp. 30. Greenwich, CT: JAI Press.
- Edgar, M. G., & Geare, E. E. (2005). HRM practice and employee attitudes: different measures – different results. *Personnel Review*, 34(5), 534-549.
- Edralin, D. M. (2010). Human resource management practices: drivers for stimulating corporate entrepreneurship in large companies in the Philippines. *DLSU Business & Economics Review*, 19(2), 25-41.
- Eid, R. (2009). Factors affecting the success of world class manufacturing implementation in less developed countries: The case of Egypt. *Journal of Manufacturing Technology Management*, 20(7), 989-1008.

- Enns, H. G., & McFarlin, D. B. (2003). When executives influence peers: does function matter?. *Human Resource Management*, 42(2), 125-142.
- Farndale, E., & Paauwe, J. (2008). Restructuring the HR function: HR shared service centers in the Netherlands. In G. Martin, M. Reddington & H. Alexander (Eds.), *Technology, outsourcing and HR transformation* (pp. 105-135). Oxford: Butterworth Heinemann.
- Farndale, E., Brewster, C., & Poutsma, E. (2008). Coordinated vs. liberal market HRM: the impact of institutionalization on multinational firms. *The International Journal of Human Resource Management*, 19(11), 2004-2023.
- Ferris, G. R., & Judge, T. A. (1991). Personnel/human resources management: a political influence perspective. *Journal of Management*, 17(2), 447-488.
- Ferris, G. R., Galang, M. C., Thornton, M. L., & Wayne, S. J. (1995). A power and politics perspective on human resource management. In G. R. Ferris, S. D. Rosen & D. T. Barnum (Eds.), *Handbook of human resource management* (pp. 100-114). Cambridge, Mass: Blackwell
- Ferris, G. R., Judge, T. A., Rowland, K. M., & Fitzgibbons, D. E. (1994). Subordinate influence and the performance evaluation process: Test of a model. *Organizational Behavior and Human Decision Processes*, 58(1), 101-135.
- Ferris, G. R., Perrewe, P. L., Ranft, A. L., Zinko, R., Stoner, J. S., Brouer, R. L., & Laird, M. D. (2007). Human resources reputation and effectiveness. *Human Resource Management Review*, 17(2), 117-130.
- Festing, M. (2012). Strategic human resource management in Germany: evidence of convergence to the US model, the European model, or a distinctive national model? *The Academy of Management Perspectives*, 26(2), 37-54.

- Fey, C. F., & Bjorkman, I. (2001). The effect of human resource management practices on MNC subsidiary performance in Russia. *Journal of International Business Studies*, 32(1), 59-75.
- Fey, C. F., & Denison, D. R. (2003). Organizational culture and effectiveness: Can an American theory can be applied in Russia? *Organization Science*, 14(6), 686-706.
- Fey, C. F., Pavlovskaya, A., & Tang, N. (2004). Does one shoe fit everyone? A comparison of human resource management in Russia, China, and Finland. *Organizational Dynamics*, 33(1), 79-97.
- Fisher, C. D. (1989). Current and recurrent challenges in HRM. *Journal of Management*, 15(2), 157-180.
- Fornell, C. (1982). *A second generation of multivariate analysis. Vol. 1: methods*. New York: Praeger.
- Freidson, E. (2001). *Professionalism: The third logic*. Cambridge, UK: Polity Press/Blackwell.
- Galang, M. C., & Ferris, G. R. (1997). Human resource department power and influence through symbolic action. *Human Relations*, 50(11), 1043-1066.
- Galang, M. C., Elsik, W., & Russ, G. S. (1999). Legitimacy in human resources management. *Research in Personnel and Human Resources Management*, 17, 41-79.
- Garver, M. S., & Mentzer, J. T. (1999). Logistics research methods: employing structural equation modeling to test for construct validity. *Journal of business logistics*, 20(1), 33.
- Gefen, D., & Straub, D. W. (2005). A practical guide to factorial validity using PLS-Graph: Tutorial and annotated example. *Communications of the AIS*, 16, 91-109.

- Gerbing, D. W., & Anderson, J. C. (1993). Monte Carlo evaluations of goodness-of-fit indices for structural equation models. *SAGE FOCUS EDITIONS*, 154, 40-40.
- Godard, J., & Delaney, J. T. (2000). Reflections on the "high performance" paradigm's implications for industrial relations as a field. *Industrial & Labor Relations Review*, 53(3), 482-502.
- Golden, K. A., & Ramanujam, V. (1985). Between a dream and a nightmare: on the integration of the human resource management and strategic business planning processes. *Human Resource Management*, 24(4), 429-452.
- Gooderham, P. N., & Nordhaug, O. (2010). One European model of HRM? CRANET empirical contributions. *Human Resource Management Review*, 21(1), 27-36.
- Gooderham, P. N., Nordhaug, O., & Ringdal, K. (1999). Institutional and rational determinants of organisational practices: human resource management in European firms. *Administrative Science Quarterly*, 44(3), 507-531.
- Gooderham, P. N., Nordhaug, O., & Ringdal, K. (2006). National embeddedness and calculative human resource management in US subsidiaries in Europe and Australia. *Human Relations*, 59(11), 1491-1513.
- Gooderham, P., Parry, E., & Ringdal, K. (2008). The impact of bundles of strategic human resource management practices on the performance of European firms. *The International Journal of Human Resource Management*, 19(11), 2041-2056.
- Gould-Williams, J. (2004). The effects of 'high commitment' HRM practices on employee attitude: The views of public sector workers. *Public Administration*, 82(1), 63-81.
- Grace, J. B., & Bollen, K. A. (2008). Representing general theoretical concepts in structural equation models: the role of composite variables. *Environmental and Ecological Statistics*, 15(2), 191-213.

- Grant, B. M., & Giddings, L. S. (2002). Making sense of methodologies: A paradigm framework for the novice researchers. *Contemporary Nurse*, 13(1), 10-28.
- Green, K. W., Wu, C., Whitten, D., & Medlin, B. (2006). The impact of strategic human resource management on firm performance and HR professionals' work attitude and work performance. *The International Journal of Human Resource Management*, 17(4), 559-579.
- Greenwood, M. R. (2002). Ethics and HRM: A review and conceptual analysis. *Journal of Business Ethics*, 36(3), 261-278.
- Greenwood, R., & Hinings, C. R. (1996). Understanding radical organizational change: Bringing together the old and the new institutionalism. *Academy of management review*, 21(4), 1022-1054.
- Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In N. K. Denzin, & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 105-117). Thousand Oaks, CA: Sage.
- Guest, D., & Conway, N. (2011). The impact of HR practices, HR effectiveness and a 'strong HR systems' on organisational outcomes: a stakeholder perspective. *The International Journal of Human Resource Management*, 22(8), 1686-1702.
- Guest, D. (1995). Human resource management, trade unions and industrial relations. In J. Storey (Ed.), *Human Resource Management: A critical text* (pp. 110-141). London: Routledge.
- Guest, D. E. (1987). Human resource management and industrial relations. *Journal of Management Studies*, 24(5), 503-521.
- Guest, D. E. (1990). Human resource management and the American dream*. *Journal of Management Studies*, 27(4), 377-397.

- Guest, D. E. (1997). Human resource management and performance: a review and research agenda. *The International Journal of Human Resource Management*, 8(3), 263-276.
- Guest, D. E. (1999). Human resource management – the workers’ verdict. *Human Resource Management Journal*, 9(3), 5-25.
- Guest, D. E. (2001). Human resource management: when research confronts theory. *The International Journal of Human Resource Management*, 12(7), 1092-1106.
- Guest, D. E. (2011). Human resource management and performance: still searching for some answers. *Human Resource Management Journal*, 21(1), 3-13.
- Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field Methods*, 18(1), 59-82.
- Guest, D., & King, Z. (2004). Power, innovation and problem-solving: The personnel manager’s three steps to heaven? *Journal of Management Studies*, 41(3), 401-424.
- Guthrie, J. P., Flood, P. C., Liu, W., MacCurtain, S., & Armstrong, C. (2011). Big hat, no cattle? The relationship between use of high-performance work systems and managerial perceptions of HR departments. *The International Journal of Human Resource Management*, 22(8), 1672-1685.
- Hackett, T. J. (1988). The real role of personnel managers. *Personnel Journal*, 67(3), 70-75.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis* (6th ed.). New Jersey: Pearson Prentice-Hall.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). New Jersey: Pearson Prentice-Hall.

- Hales, C. (2005). Rooted in supervision, branching into management: continuity and change in the role of first-line manager. *Journal of Management Studies*, 42(3), 471-506.
- Haverland, M., & Yanow, D. (2012). A Hitchhiker's guide to the public administration research universe: surviving conversations on methodologies and methods. *Public Administration Review*, 72 (3), 401-408.
- Hayes, A. F. (2013). *Introduction to mediation, moderation, and conditional process analysis. A regression-based approach*. New York, NY: Guildford.
- Hendry, C., & Pettigrew, A. (1986). The practice of strategic human resource management. *Personnel Review*, 15(5), 3-8.
- Hendry, C., & Pettigrew, A. (1990). Human resource management: An agenda for the 1990s. *The International Journal of Human Resource Management*, 1(1), 17-43.
- Hesse-Biber, S. N., & Leavy, P. (2006). *The practice of qualitative research*. Thousand Oaks: Sage Publications.
- Heugens, P. P., & Lander, M. W. (2009). Structure! Agency! (and other quarrels): A meta-analysis of institutional theories of organization. *Academy of Management Journal*, 52(1), 61-85.
- Hickson, D. J., Hinings, C. R., Lee, C. A., Schneck, R. E., & Pennings, J. M. (1971). A strategic contingencies' theory of intraorganizational power. *Administrative Science Quarterly*, 16, 216-229.
- Hindle, K. (2004). Choosing qualitative methods for entrepreneurial cognition research: A canonical development approach. *Entrepreneurship Theory and Practice*, 28(6), 575-607.
- Hinings, C. R., Hickson, D. J., Pennings, J. M., & Schneck, R. E. (1974). Structural conditions of intraorganizational power. *Administrative Science Quarterly*, 19, 22-44.

- Hofstede, G. (2001). Culture's recent consequences: using dimension scores in theory and research. *International Journal of Cross Cultural Management*, 1(1), 11-30.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (Eds.). (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Thousand Oaks: Sage publications.
- Hsieh, H-F., & Shannon, S. E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research*, 15(9), 1277-1288.
- Hu, L. T., & Bentler, P. M. (1995). Evaluating model fit. In R. H. Hoyle (Ed.), *Structural equation modeling: Concepts, issues, and applications* (pp. 76-99). Thousand Oaks, CA: Sage.
- Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural equation modeling: a multidisciplinary journal*, 6(1), 1-55.
- Huang, T. C. (2000). Are the human resource practices of effective firms distinctly different from those of poorly performing ones? Evidence from Taiwanese enterprises. *The International Journal of Human Resource Management*, 11(2), 436-451
- Hunt, J. W. (1984). The shifting focus of the personnel function. *Personnel Management*, 16(2), 14-18.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity and corporate financial performance. *The Academy of Management Journal*, 38(3), 635-672.
- Huselid, M. A., Jackson, S. E., & Schuler, R. S. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal*, 40(1), 171-188.

- Huselid, M. A., & Becker, B. E. (2000). Comment on "Measurement error in research on human resources and firm performance: How much error is there and how does it influence effect size estimates?" by Gerhart, Wright, McMahan, and Snell. *Personnel Psychology*, 53(4), 835-854.
- Jackson, S. E., & Schuler, R. (1995). Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46, 237-264.
- Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *The Academy of Management Annals*, 8(1), 1-56.
- Jiang, K., Lepak, D., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55(6), 1264-1294.
- Johansson, J. K., & Yip, G. S. (1994). Exploiting globalization potential: U.S. and Japanese strategies. *Strategic Management Journal*, 15(8), 579-601.
- Johns, G. (2006). The essential impact of context on organizational behavior. *Academy of Management Journal*, 31(2), 386-408.
- Jones, C., & Saundry, R. (2012). The practice of discipline: evaluating the roles and relationship between managers and HR professionals. *Human Resource Management Journal*, 22(3), 252-266.
- Josserand, E., Teo, S., & Clegg, S. (2006). From bureaucratic to post-bureaucratic: the difficulties of transition. *Journal of Organizational Change Management*, 19(1), 54-64.
- Kamoche, K. (1994). A critique and a proposed reformulation of strategic human resource management. *Human Resource Management Journal*, 4(4), 29-43.

- Kamoche, K. (1996). Strategic human resource management within a resource-capability view of the firm. *Journal of Management Studies*, 33(2), 213-233.
- Kamoche, K. (2001). Human resources in Vietnam: the global challenge. *Thunderbird International Business Review*, 43(5), 625-650.
- Kamoche, K. (2001). Understanding human resource management. Philadelphia, PA: Open University Press.
- Kaufman, B. E. (2012). Strategic human resource management in the United States: A failing grade after 30 years? *Academy of Management Perspectives*, 26(2), 12-36.
- Kelly, J. (2001). The role of the personnel/ HR function in multinational companies. *Employee Relations*, 23(6), 536-557.
- Kelly, J., & Gennard, J. (1996). The role of personnel directors on the board of directors. *Personnel Review*, 25(1), 7-24.
- Kelly, J., & Gennard, J. (2007). Business strategic decision making: the role and influence of directors. *Human Resource Management Journal*, 17(2), 99-117.
- Kennoy, T. (1990). Human resource management: rhetoric, reality and contradiction. *The International Journal of Human Resource Management*, 1(3), 363-384.
- Kennoy, T. (1997). Review article: HRMism and the languages of re-presentation. *Journal of Management Studies*, 34(5), 825-841.
- Kepes, S., & Delery, J. (2007). HRM systems and the problem of internal fit. In P. Boxall, J. Purcell & P. Wright (Eds.), *The Oxford handbook of human resource management* (pp. 385-404). Oxford: Oxford University Press.
- Khilji, S. E., & Wang, X. (2006). 'Intended' and 'implemented' HRM: the missing linchpin in strategic human resource management research. *The International Journal of Human Resource Management*, 17(7), 1171-1189.

- King-Kauanui, S., Ngoc S. D., & Ashley-Cotleur, C. (2006). Impact of human resource management SME performance in Vietnam. *Journal of Developmental Entrepreneurship*, 11(1), 79–95.
- Kline, R. B. (2011). *Principles and practice of structural equation modeling* (4th ed.). Guildford Publications.
- Kochan, T. A. (2004). Restoring trust in the human resource management profession. *Asia Pacific Journal of Human Resources*, 42(2), 132-146.
- Kochan, T. A. (2009). Social legitimacy of the HRM profession: A US perspective. In P. Boxall, J. Purcell & P. M. Wright, *The Oxford handbook of human resource management* (September, 2009). Retrieved from <http://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780199547029.001.0001/oxfordhb-9780199547029-e-29?print=pdf>
- Kornai, J. (1992). The socialist system: the political economy of communism. Retrieved from <http://www.oxfordscholarship.com.ezproxy.aut.ac.nz/view/10.1093/0198287763.001.0001/acprof-9780198287766>
- Kostova, T., & Roth, K. (2002). Adoption of an organisational practice by subsidiaries of multinational corporations: institutional and relational effects. *The Academy of Management Journal*, 45(1), 215-233.
- Kostova, T., & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management review*, 24(1), 64-81.
- Krippendorff, K. (2013). *Content analysis – An introduction to its methodology* (3rd ed.). Los Angeles; London: SAGE.

- Kristensen, P. H. (1992). Strategies against structure: Institutions and economic organizations in Denmark. In R. Whitley (Eds.), *European business systems: Firms and markets in their national contexts* (pp. 117-136). London: Sage.
- Krueger, R. A., & Casey, M. A. (2009). *Focus group: A practical guide for applied research* (4th ed.). Thousand Oaks, CA: Sage Publications.
- Kulik, C. T., & Perry, E. L. (2008). When less is more: the effect of devolution on HR's strategic role and construed image. *Human Resource Management*, 47(3), 541-558.
- Lado, A. A., & Wilson, M. C. (1994). Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of Management Review*, 19(4), 699-727.
- Lam, L. W., & White, L. P. (1998). Human resource orientation and corporate performance. *Human Resource Development Quarterly*, 9(4), 351-364.
- Laurent, A. (1986). The cross-cultural puzzle of international human resource management. *Human Resource Management*, 25(1), 91-102.
- Lawler, J. J., Chen, S-J., Wu, P-C., Bae, J., & Bai, B. (2011). High-performance work systems in foreign subsidiaries of American multinationals: an institutional model. *Journal of International Business Studies*, 42(2), 202-220.
- Le, M. H. (2005). A profile of Vietnam's land and people. In W. T. Alpert (Ed.), *The Vietnamese economy and its transformation to an open market system* (pp. 44-60). Armonk, NY: M.E. Sharpe.
- Lee, G., Benoit-Bryan, J., & Johnson, P. T. (2011). Survey research in public administration: assessing mainstream journals with a total survey error framework. *Public Administration Review*, 72(1), 87-97.
- Lee, J., & Miller, D. (1999). People matter: Commitment to employees, strategy and performance in Korean firms. *Strategic Management Journal*, 20(6), 579-593.

- Legge, K. (1978). *Power, innovation and problem solving in personnel management*. McGraw-Hill, Maidenhead.
- Lengnick-Hall, M., Lengnick-Hall, C. A., Andrade, L., & Drake, B. (2009). Strategic human resource management: the evolution of the field. *Human Resource Management Review*, 19(2), 64-85.
- Lengnick-Hall, P.-Hall, & Lengnick-Hall, E. (1988). Strategic human resources management: A review of the literature and a proposed typology. *Academy of Management Review*, 13(3), 454-470.
- Lepak, D. P., & Shaw, J. D. (2008). Strategic HRM in North America: looking to the future. *The International Journal of Human Resource Management*, 19(8), 1486-1499.
- Lepak, D. P., & Snell, S. A. (2002). Examining the human resource architecture: the relationships among human capital, employment and human resource configurations. *Journal of Management*, 28(4), 517-543.
- Lepak, D. P., Taylor, M. S., Tekleab, A., Marrone, J., & Cohen, D. (2007). An examination of the use of high investment HR systems for core and support employees. *Human Resource Management*, 46(2), 223-246.
- Lewin, D., & Yang J. Z. (1992). HRM policies and practices of U.S. and Japanese firms operating in the U.S. In Jr J. F. Burton (Ed.), *Proceedings of the Forty-fourth Annual Meeting of Industrial Relations Research Association* (pp. 344-351). New Orleans: IRRA.
- Li, P. P. (1998). Toward a geocentric framework of organizational form: A holistic, dynamic and paradoxical approach. *Organizational Studies*, 19(5), 829-861.
- Li, P. P. (2008). Toward a geocentric framework of trust: An application to organizational trust. *Management and Organization Review*, 4(3), 413-439.

- Li, P. P. (2012). Toward an integrative framework of indigenous research: The geocentric implications of Yin-Yang balance. *Asia Pacific Journal of Management*, 29(4), 849-872.
- Li, S. Y. Y. (2009). *Human resource management in China, converging or diverging? a study of human resource management values of local managers in multinational organisations*, thesis, Macquarie University.
- Lin, N. (2002). How the East and West shall meet? *Development and Society*, 31(2), 211-244.
- Lin, C., Chow, W. S., Madu, C. N., Kuei, C-H., & Yu, P. P. (2005). A structural equation model of supply chain quality management and organizational performance. *International Journal of Production Economics*, 96(3), 355-365.
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86(1), 114-121.
- Lo, K., Macky, K., & Pio, E. (2015) The HR competency requirements for strategic and functional HR practitioners. *The International Journal of Human Resource Management*, 26(8), 2308-2328.
- Lundy, O. (1994). From personnel management to strategic human resource management. *The International Journal of Human Resource Management*, 5(3), 687-720.
- Macky, K., & Boxall, P. (2008). High-performance work processes, work intensification and employee well-being: a study of New Zealand worker experiences. *Asia Pacific Journal of Human Resources*, 46(1), 38-55.
- MacVaugh, J., & Evans, J. (2012). A re-examination of flexible employment practices in Japan. *The International Journal of Human Resource Management*, 23(6), 1245-1258.

- Mahoney, T. A., & Deckop, J. R. (1986). Evolution of concept and practice in personnel administration/human resource management (PA/HRM). *Journal of Management*, 12(2), 223-241.
- Malhotra, N. K., Kim, S. S., & Patil, A. (2006). Common method variance in IS research: A comparison of alternative approaches and a reanalysis of past research. *Management Science*, 52(12), 1865-1883.
- March, J. (2005). Parochialism in the evolution of a research community: The case of organization studies. *Management and Organization Review*, 1(1), 5-22.
- Martin, N. J., & Rice, J. L. (2007). Profiling enterprise risks in large computer companies using the Leximancer software tool. *Risk Management*, 9(3), 188-206.
- Meyer, J., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.
- Meyer, K. E. (2006). Asian management research needs more self-confidence. *Asia Pacific Journal of Management*, 23(2), 119-137.
- Meyer, K. E. (2007). Asian contexts and the search for general theory in management research: A rejoinder. *Asia Pacific Journal of Management*, 24(4), 527-537.
- Michailova, S., & Husted, K. (2003). Knowledge-sharing hostility in Russian firms. *California Management Review*, 45(3), 59-77.
- Miles, R. E., & Snow, C. C. (1984). Designing strategic human resources systems. *Organisational Dynamics*, 13(1), 36-52.
- Miles, R. E., & Snow, C. C. (1986). Organizations: New concepts for new forms. *California Management Review*, 28(3), 66-73.
- Mitchell, R., Obeidat, S., & Bray, M. (2013). The effect of strategic human resource management on organizational performance: The mediating role of high-

- performance human resource practices. *Human Resource Management*, 52(6), 899-921.
- Mizruchi, M. S., & Fein, L. C. (1999). The social construction of organizational knowledge: A study of the uses of coercive, mimetic, and normative isomorphism. *Administrative science quarterly*, 44(4), 653-683.
- Monks, K., Kelly, G., Conway, E., & Flood, P. (2013). Understanding how HR systems work: the role of HR philosophy and HR processes. *Human Resource Management Journal*, 23(4), 379-395.
- Morgan, D. L. (1988). *Focus group as qualitative research. Qualitative research methods*, 16. Newbury Park, California: Sage Publications.
- Morris, M. W., Leung, K., Ames, D., & Lickel, B. (1999). Views from inside and outside: Integrating emic and etic insights about culture and justice judgement. *Academy of Management Review*, 24(4), 781-796.
- Mossholder, K. W., Settoon, R. P., Harris, S. G., & Armenakis, A. A. (1995). Measuring emotion in open-ended survey responses: An application of textual data analysis. *Journal of Management*, 21(2), 335-355.
- Myers, M. D. (2010). *Qualitative research in business & management*. London: Sage Publications.
- Napier N. K. (2005). Knowledge transfer in Vietnam: starts, stop, and loops. *Journal of Managerial Psychology*, 20(7), 621-636.
- Nelson, D. (1975). *Managers and workers*. Madison, WI: University of Wisconsin Press.
- Netemeyer, R. G., Bearden, W. O., & Sharma, S. (2003). *Scaling procedures: Issues and applications*. London: Sage.
- Neuendorf, K. A. (2002). *The content analysis guidebook*. Thousand Oaks, CA: SAGE.

- Nguyen, D., Teo, S., & Mylett, T. (2013). An exploration of the roles of HR departments in Vietnam. *Journal of General Management*, 39(2), 83-113.
- Nishii, L. H., Lepak, D. P., & Schneider, B. (2008). Employee attributions of the “why” of HR practices: their effects on employee attitudes and behaviors, and customer satisfaction. *Personnel Psychology*, 61(3), 503-545.
- Novicevic, M., & Harvey, M. (2001). The changing role of the corporate HR function in global organisations of the twenty-first century. *The International Journal of Human Resource Management*, 12(8), 1251-1268.
- Novicevic, M. M., & Harvey, M. G. (2004). The political role of corporate human resource management in strategic global leadership development. *The Leadership Quarterly*, 15(4), 569-588.
- Paauwe, J., & Boselie, P. (2003). Challenging ‘strategic HRM’ and the relevance of the institutional setting. *Human Resource Management Journal*, 13(3), 56-70.
- Paauwe, J., & Boselie, P. (2005). HRM and performance: what next? *Human Resource Management Journal*, 15(4), 68-83.
- Paauwe, J., Wright, P., & Guest, D. (2013). HRM and performance: what do we know and where we should go? In D. E. Guest, J. Paauwe & P. Wright, *HRM and performance: achievements and challenges* (pp. 1-13). Chichester, West Sussex: Wiley.
- Paik, Y., Chow, I. H., & Vance, C. M. (2011). Interaction effects of globalization and institutional forces on international HRM practice: illuminating the convergence-divergence debate. *Thunderbird International Business Review*, 53(5), 647-659.
- Painter, M. (2003). Public administration reform in Vietnam: Problems and prospects. *Public Administration and Development*, 23(3), 259-271.

- Pallas, A. M. (2001). Preparing education doctoral students for epistemological diversity. *Educational Researcher*, 30(5), 6-11.
- Perry, E. L., & Kulik, C. T. (2008). The devolution of HR to the line: implications for perceptions of people management effectiveness. *The International Journal of Human Resource Management*, 19(2), 262-273.
- Perry-Smith, J. E. & Blum, T. C. (2000). Work-family human resource bundles and perceived organizational performance. *Academy of Management Journal*, 43(6), 1107-1117.
- Pfeffer, J. (1992). *Managing with power: Politics and influence in organizations*. Harvard Business Press.
- Pfeffer, J. (1994). Competitive advantage through people. *California Management Review*, 36(2), 9-28.
- Pfeffer, J. (2005). Changing mental models: HR's most important task. *Human Resource Management*, 44(2), 123-128.
- Pfeffer, J. (2009). Understanding power in organisations. In D. Tjosvold & B. Wisse (Eds.), *Power and interdependence in organisations* (pp. 17-32). Cambridge Books Online – Management.
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence approach*. NY: Harper and Row Publishers.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioural research: a critical review of the literature and recommendation remedies. *Journal of Applied Psychology*, 88(5), 879-903.
- Poole, M., & Mansfield, R. (1992). The movement towards human resource management: Evidence from a national sample. Paper presented to The Annual British Academy of Management Conference. Bradford, England.

- Pohler, D., & Willness, C. (2014). Balancing interests in the search for occupational legitimacy: The HR professionalization project in Canada. *Human Resource Management, 53*(3), 467-488.
- Poon, I. H-F., & Rowley, C. (2010). Change in Asia: a review of management theory and research related to human resources. *Asia Pacific Business Review, 16*(4), 591-607.
- Porter, M. E. (1985). *Competitive strategy: Creating and sustaining superior performance*. New York: The Free Press.
- Posthuma, R. A., Campion, M. C., Masimova, M., & Campion, M. A. (2013). A high performance work practices taxonomy: integrating the literature and directing future research. *Journal of Management, 39*(5), 1184-1220.
- Powell, W. W., & DiMaggio, P. J. (Eds.). (2012). *The new institutionalism in organizational analysis*. University of Chicago Press.
- Pritchard, K. (2010). Becoming an HR strategic partner: Tales of transition. *Human Resource Management Journal, 20*(2), 175-188.
- Purcell, J. (1999). Best practice and best fit: chimera or cul-de-sac? *Human Resource Management Journal, 9*(3), 26-41.
- Quang, T., & Dung, H. K. (1998). Human resource development in state-owned enterprises in Vietnam. *Research and Practice in Human Resource Management, 6*(1), 85-103.
- Quang, T., & Thang, L. C. (2004). HRM in Vietnam. In P. Budhwar (Ed.), *Managing human resources in Asia-Pacific* (pp.173-199). London and New York: Routledge.
- Quang, T. (2006). Human resource management in Vietnam. In A. Nankervis, S. Chatterjee & J. Coffey (Eds.), *Perspectives of human resource management in the Asia Pacific* (pp. 213–252). Australia: Pearson Education.

- Quang, T., Swierczek, F. W., & Chi, D. T. K. (1998). Effective leadership in joint ventures in Vietnam: A cross-cultural perspective. *Journal of Organizational Change Management*, 11(4), 357-372.
- Quang, T., Thang, L. C., & Rowley, C. (2008). The changing face of human resource in Vietnam. In C. Rowley and S. Abdul-Rahman (Eds.), *The changing face of management in Southeast Asia* (pp.185-221). London and New York: Routledge.
- Quang, T., van der Heijden, B. I. J. M., & Rowley, C. (2010). Globalization, competitiveness and human resource management in a transitional economy: the case of Vietnam. *International Journal of Business Studies*, 18(1), 75-100.
- Rafferty, A. E., & Griffin, M. A. (2004). Dimensions of transformational leadership: conceptual and empirical extensions. *Leadership Quarterly*, 15(3) 329-354.
- Ralston, D. A., Terpstra-Tong, J., Maignan, I., Napier, N. K., & Nguyen, V. T. (2006). Vietnam: A cross-cultural comparison of upward influence ethics. *Journal of International Management*, 12(1), 85-105.
- Ramaswamy, K. (2007). Asian management research needs broader initiatives and focused incentives. *Asia Pacific Journal of Management*, 24(4), 519-525.
- Reichel, A., & Lazarova, M. (2013). The effects of outsourcing and devolvement on the strategic position of HR departments. *Human Resource Management*, 52(6), 923-946.
- Ringle, C., Wende, S., & Will, A. (2005). Smart-PLS Version 2.0 M2. <http://www.smartpls.de/forum/>
- Roehling, M. V., Boswell, W. R., Caligiuri, P., Feldman, D., Graham, M. E., Guthrie, J. et al. (2005). The future of HR management: Research needs and directions. *Human Resource Management*, 44(2), 207-216.

- Rooney, D., Paulsen, N., Callan, V. J., Brabant, M., Gallois, C., & Jones, E. (2010). A new role for place identity in managing organizational change. *Management Communication Quarterly*, 24(1), 44-73.
- Rosenzweig, P. M., & Nohria, N. (1994). Influences on human resource management practices in multinational corporations. *Journal of International Business Studies*, 25(2), 229-251.
- Rowland, K. M., & Summers, S. L. (1981). Human resource planning: A second look. *Personnel Administrator*, 26(12), 73-80.
- Rowley, C., & Benson, J. (2000). Globalization, labour and prospects. *Asia Pacific Business Review*, 6(3/4), 300-308.
- Rowley, C., & Benson, J. (2002). Convergence and divergence in Asian human resource management. *California Management Review*, 44(2), 90-109.
- Rowley, C., & Benson, J. (2003). Introduction; changes and continuities in Asian HRM. *Asia Pacific Business Review*, 9(4), 1-4.
- Rowley, C., & Warner, M. (2007). Introduction: globalizing international human resource management. *The International Journal of Human Resource Management*, 18(5), 703-716.
- Rupidara, N. S., & McGraw, P. (2011). The role of actors in configuring HR systems within multinational subsidiaries. *Human Resource Management Review*, 21(3), 174-185.
- Russ, G. S., Galang, M. C., & Ferris, G. R. (1998). Power and influence of the human resources function through boundary spanning and information management. *Human Resource Management Review*, 8(2), 125-148.
- Ryu, S., & Kim, S. (2013). First-line manager's HR involvement and HR effectiveness: the case of South Korea. *Human Resource Management*, 52(6), 947-966.

- Salancik, G. R., & Pfeffer, J. (1974). The bases and use of power in organizational decision making: The cases of a university. *Administrative Science Quarterly*, 19(4), 453-473.
- Salancik, G. R., & Pfeffer, J. (1977). Who gets power – and how they hold on to it: a strategic contingency model of power? *Organisational Dynamics*, 5(3), 3-21.
- Salkind, N. J. (2012). *Exploring research* (8th ed.). Boston: Pearson.
- Scholz, C. (1996). Human resource management in Germany. In T. Clark (ed.), *European human resource management* (pp. 118-155). Oxford: Blackwell.
- Schuler, R. A., & Jackson, S. E. (2007). *Overview of SHRM, strategic human resource management* (2nd ed.). Oxford: Blackwell.
- Schuler, R. A. (1992). Strategic human resources management: linking the people with the strategic needs of the business. *Organisational Dynamics*, 21(1), 18-32.
- Schuler, R. S., & Jackson, S. E. (1987). Linking competitive strategies with human resource management practices. *The Academy of Management Executive*, 1(3), 207-219.
- Schuler, R. S. (1990). Repositioning the human resource function: transformation or demise? *Academy of Management Executive*, 4(3), 49-60.
- Scott, W. R. (Eds.). (2008). *Institutions and organizations – ideas and interests*. Sage Publications: Los Angeles, London, New Delhi, Singapore.
- Sheehan, C., & Cooper, B. K. (2011). HRM outsourcing: the impact of organizational size and HR strategic involvement. *Personnel Review*, 40(6), 742-760.
- Sheehan, C., Cooper, B., Holland, P., & De Cieri, H. (2007). The relationship between HRM avenues of political influence and perceived organizational performance. *Human Resource Management*, 46(4), 611-629.

- Sheehan, C., De Cieri, H., & Cooper, B. (2014). Exploring the power dimensions of the human resource function. *Human Resource Management Journal*, 24(2), 193-210.
- Short, J. (2009). The art of writing a review article. *Journal of Management*, 35(6), 1312-1317.
- Silverman, D. (1993). *Interpreting qualitative data – methods for analysing talk, text and interaction*. Thousand Oaks, CA: Sage Publications.
- Silverman, D. (Ed.). (2006). *Interpreting qualitative data – methods for analysing talk, text and interaction*. Thousand Oaks, CA: Sage Publications.
- Smith, A. E., & Humphreys, M. S. (2006). Evaluation of unsupervised semantic mapping of natural language with Leximancer concept mapping. *Behavior Research Methods*, 38(2), 262-279.
- Spector, P. E. (2006). Method variance in organisational research – truth or urban legend? *Organisational Research Methods*, 9(2), 221-232.
- Stiles, P., & Trevor, J. (2006). The human resource department: roles, coordination and influence. In G. K. Stahl & I. Bjorkman, *Handbook of research in international human resource management* (pp. 49-67). Cheltenham, UK; Northampton, Mass., USA. E. Elgar Pub.
- Storey, J., & Sisson, K. (1993). *Managing human resources and industrial relations*. Milton Keynes: Open University Press.
- Storey, J. (1992). *Developments in the management of human resources*. United Kingdom: Blackwell Business.
- Storey, J. (Ed.). (2007). *Human resource management: a critical text*. Thomson Learning.
- Suddaby, R. (2006). From the editors: What grounded theory is not. *Academy of Management Journal*, 49(4), 633-642.

- Sun, L-Y., Aryee, S., & Law, K. S. (2007). High-performance human resource practices, citizenship behavior, and organizational performance: a relational perspective. *The Academy of Management Journal*, 50(3), 558-577.
- Teo, S. (2000). Evidence of strategic HRM linkages in eleven Australian corporatized public sector organizations. *Public Personnel Management*, 29(4), 557-574.
- Teo, S. T. (2002). Effectiveness of a corporate HR department in an Australian public-sector entity during commercialization and corporatization. *The International Journal of Human Resource Management*, 13(1), 89-105.
- Teo, S. T. T., & Rodwell, J. J. (2007). To be strategic in the new public sector, HR must remember operational activities. *Human Resource Management*, 46(2), 265-284.
- Teo, S. T. T., Le Clerc, M., & Galang, M. C. (2011). Human capital enhancing HRM systems and frontline employees in Australian manufacturing SMEs. *The International Journal of Human Resource Management*, 22(12), 2522-2538.
- Terpstra, D. E., & Rozell, E. J. (1993). The relationship of staffing practices to organizational level measures of performance. *Personnel Psychology*, 46(1), 27-48.
- Thang, N. V., & 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*, 22(6), 595-618.
- Thang, L. C., & Quang, T. (2005a). Human resource management practices in a transitional economy: a comparative study of enterprise ownership forms in Vietnam. *Asia Pacific Business Review*, 11(1), 25-47.
- Thang, L. C., & Quang, T. (2005b). Antecedents and consequences of dimensions of human resource management practices in Vietnam. *The International Journal of Human Resource Management*, 16(10), 48-64.

- Thang, L. C., Rowley, C., Quang, T., & Warner, M. (2007). To what extent can management practices be transferred between countries? The case of human resource management in Vietnam. *Journal of World Business*, 42(1), 113-127.
- Thang, N. N., Quang, T., & Buyens, D. (2010). The relationship between training and firm performance: a literature review. *Research and Practice in Human Resource Management*, 18(1), 28-41.
- The World Bank. (2009). *Vietnam at a glance*. Retrieved June 23, 2011, from http://devdata.worldbank.org/AAG/vnm_aag.pdf
- Thien, T. T. (2005). Cultural issues in Vietnam's transition. In W. T. Alpert (Ed.), *The Vietnamese economy and its transformation to an open market system* (pp. 13-31). Armonk, NY: M.E. Sharpe.
- Thompson, P. (2011). Provocation series paper: The trouble with HRM. *Human Resource Management Journal*, 21(4), 355-367.
- Tichy, N. M., Fombrun, C. J., & Devanna, M. A. (1982). Strategic human resource management. *Sloan Management Review*, 23(2), 47-61.
- Toh, S., Morgeson, F., & Campion, M. (2008). Human resource configurations: investigating fit with the organizational context. *Journal of Applied Psychology*, 93(4), 864-882.
- Tomarken, A. J., & Waller, N. G. (2005). Structural equation modelling: Strengths, limitations and misconceptions. *Annual Review of Clinical Psychology*, 1(1), 31-65.
- Tregaskis, O., & Brewster, C. (2006). Converging or diverging? A comparative analysis of trends in contingent employment practice in Europe over a decade. *Journal of International Business Studies*, 37(1), 111-126.

- Truong, Q., & van der Heijden, B.I.J.M. (2009). The changing face of human resource management in Vietnam. In C. Rowley & Q. Truong (Ed.), *The changing face of Vietnamese management* (pp. 24-49). New York: Routledge.
- Truss, C., & Gratton, L. (1994). Strategic human resource management: A conceptual approach. *The International Journal of Human Resource Management*, 5(3), 663-686.
- Truss, C., Gratton, L., Hope-Hailey, McGovern, P., & Stiles, P. (1997). Soft and hard models of human management: a reappraisal. *Journal of Management Studies*, 34(1), 53-73.
- Truss, C., Gratton, L., Hope-Hailey, V., Stiles, P., & Zaleska, J. (2002). Paying the piper: choice and constraint in changing HR functional role. *Human Resource Management Journal*, 12(2), 39-63.
- Truss, C. (2009). Changing HR functional forms in the UK public sector. *The International Journal of Human Resource Management*, 20(4), 717-737.
- Tsai, C-J. (2006). High performance work systems and organizational performance: an empirical study of Taiwan's semiconductor design firms. *The International Journal of Human Resource Management*, 17(9), 1521-1530.
- Tsui, A. S. (1987). Defining the activities and effectiveness of the human resource department: a multiple constituency approach. *Human Resource Management*, 26(1), 35-69.
- Tsui, A. S. (1990). A multiple-constituency model of effectiveness: an empirical examination at the human resource subunit level. *Administrative Science Quarterly*, 35(3), 458-483.
- Tsui, A. S. (2007). From homogenization to pluralism: International Management Research in the Academy and beyond. *The Academy of Management Journal*, 50(6), 1353-1364.

- Tuang, A., & Stringer, C. (2008). Trust and commitment in Vietnam: The industrial distributor's perspective. *International Journal of Emerging Markets*, 3(4), 390-406.
- Turner, M., Imbaruddin, A., & Sutiyono, W. (2009). Human resource management: the forgotten dimension of decentralisation in Indonesia. *Bulletin of Indonesian Economic Studies*, 45(2), 231-249.
- Tyler, T. R., Lind, E. A., & Huo, Y. J. (2000). Cultural values and authority relations: The psychology of conflict resolution across cultures. *Psychology, Public Police, and Law*, 6, 1138-1163.
- Tyson, M. F., & Fell, A. (1986). *Evaluating the personnel function*. London: Hutchinson Education.
- Tyson, S. (1987). The management of the personnel function. *Journal of Management Studies*, 24(5), 523 – 532.
- Tyson, S. (1995). *Human resource strategy: Towards a general theory of HRM*. London: Pitman.
- Uen, J. F., Ahlstrom, D., Chen, S-Y., & Tseng, P-W. (2012). Increasing HR's strategic participation: The effect of HR service quality and contribution expectations. *Human Resource Management*, 51(1), 3-24.
- Ulrich, D., & Brockbank, W. (2005). *The HR value proposition*. Boston, MA: Harvard Business School Press.
- Ulrich, D., & Dulebohn, J. H. (2015). Are we there yet? What's next for HR? *Human Resource Management Review*, 25(2), 188-204.
- Ulrich, D. (1998). A new mandate for human resources (analysis of the functions of the human resources departments in increasing productivity and profits). *Harvard Business Review*, 76(1), 124-135.

- Ulrich, D. (2011). Celebrating 50 years: An anniversary reflection. *Human Resource Management*, 50(1), 3-7.
- Ulrich, D. (Ed.). (1997). *Human resource champions: the next agenda for adding values and delivering results*. Boston: Harvard Business School Press.
- Ulrich, D. (Ed.). (2010). *Leadership in Asia: Challenges and opportunities*. Singapore: McGraw Hill.
- Ulrich, D., Brockbank, W., Johnson, D., Sandholtz, K., & Younger, J. (2009). *HR competencies mastery at the intersection of people and business*. Alexandria: The Society for Human Resource Management.
- Ulrich, D., Younger, J., Brockbank, W., & Ulrich, M. D. (2013). The state of the HR profession. *Human Resource Management*, 52(3), 457-471.
- UQ start-up launches online collaborative research portal. (2012). Retrieved May 31, 2014, from <https://www.uq.edu.au/news/article/2012/04/uq-start-launches-online-collaborative-research-portal>
- Ucbasaran, D., Shepherd, D. A., Lockett, A., & Lyon, S. J. (2012). Life after business failure: the process and consequences of business failure for entrepreneurs. *Journal of Management*, 39(1), 163-202.
- Van Buren, H. J., II, Greenwood, M., & Sheehan, C. (2011). Strategic human resource management and the decline of employee focus. *Human Resource Management Review*, 21(3), 209-219.
- Verreynne, M. L., Parker, P., & Wilson, M. (2011). Employment systems in small firms: a multilevel analysis. *International Small Business Journal*, 31(4), 405-431.
- Vidal.-Salazar, M. D., Cordon-Pozo, E., & Ferron-Vilchez, V. (2012). Human resource management and developing proactive environmental strategies: The influence

of environmental training and organizational learning. *Human Resource Management*, 51(6), 905-934.

Vietnam Development Report - Modern institutions. (2010). Retrieved February 26, 2014, from <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/VIETNAMEXTN/0,,contentMDK:22876821~pagePK:1497618~piPK:217854~theSitePK:387565,00.html>

Vietnam Development Report. (2012). Retrieved June 28, 2013, from <http://www.worldbank.org/en/news/feature/2012/01/12/vietnam-development-report-2012-an-overview>

Vietnam International Education Department. (2015). List of international collaborative programs approved by the Ministry of Education and Training. Retrieved May 3, 2016, from https://vied.vn/images/lien_ket_dao_tao/LKDT%202015%209.6.15.pdf

Vietnam Ministry of Foreign Affairs. (2016). International integration. Retrieved May 3, 2016, from <http://www.mofa.gov.vn/vi/nr091019080134/nr091019085342/>

Vietnam Ministry of Education and Training. (2014). The speech of Minister Pham Vu Luan at the TW8 conference and the summary of educational activities in the period of 2012-2013. Retrieved May 3, 2016, from <http://www.moet.gov.vn/?page=1.10&view=5508&opt=brpage>

Vietnam Ministry of Education and Training. (2016). Updated list of 556 universities, colleges, and professional training institutions completing self-evaluation and reporting to the Ministry of Education and Training. Retrieved May 3, 2016, from <http://www.moet.gov.vn/?page=11.10&view=1212>

Vietnam Overview. (2015). Retrieved February 28, 2016, from <http://www.worldbank.org/en/country/vietnam/overview>

- Vinodh, S., & Joy, D. (2012). Structural equation modelling of lean manufacturing practices. *International Journal of Production Research*, 50(6), 1598-1607.
- Vo, A., & Bartram, T. (2012). The adoption, character and impact of strategic human resource management: a case study of two large metropolitan Vietnamese public hospitals. *The International Journal of Human Resource Management*, 23(18), 3758-3775.
- Vo, A., & Stanton, P. (2011). The transfer of HRM policies and practices to a transitional business system: the case of performance management practices in the US and Japanese MNEs operating in Vietnam. *The International Journal of Human Resource Management*, 22(17), 3513-3527.
- Vo, A. (2009). *The transformation of human resource management and industrial relations in Vietnam*. Oxford, UK: Chandos Publishing.
- Walker, J. W. (1980). *Human resource planning*. New York: McGraw-Hill, Inc.
- Walker, J. W. (1992). *Human resource strategy*. New York: McGraw-Hill, Inc.
- Wall, T. D., Michie, J., Patterson, M., Wood, S. J., Sheehan, M., Clegg, C. W., & West, M. (2004). On the validity of subjective measures of company performance. *Personnel Psychology*, 57(1), 95-118.
- Wang, D., Tsui, A. S., Zhang, Y., & Ma, L. (2003). Employment relationships and firm performance: evidence from an emerging economy. *Journal of Organisational Behaviour*, 24(4), 511-535.
- Wang, S., Yi, X., Lawler, J., & Zhang, M. (2011). Efficacy of high-performance work practices in Chinese companies. *The International Journal of Human Resource Management*, 22(11), 2419-2441.
- Warner, M. (2008). Introduction - Reassessing human resource management 'with Chinese characteristics': An overview. *The International Journal of Human Resource Management*, 19(5), 771-801.

- Warner, M. (2010). In search of Confucian HRM: theory and practice in Greater China and beyond. *The International Journal of Human Resource Management*, 21(12), 2053-2078.
- Warner, M. (2011). Society and HRM in China. *The International Journal of Human Resource Management*, 22(16), 3223-3244.
- Watson, T. J. (1977). *The personnel managers: A study in the sociology of work and employment*. London: Routledge & Kegan Paul.
- Wayne, S. J., Shore, L. M., & Liden, R. (1997). Perceived organizational support and leader-member exchange. *Academy of Management Journal*, 40(1), 82-111.
- Weber, R. P. (1985). *Basic content analysis* (2nd ed.). Newbury Park, CA: Sage
- Webster, L., & Tausig, M. (1999). Vietnam's undersized engine: a survey of 95 larger private manufacturers (Vol 8). *Mekong Project Development Facility and IFC Number 8*.
- Weinstein, M., & Obloj, K. (2002). Strategic and environmental determinants of HRM innovations in post-socialist Poland. *The International Journal of Human Resource Management*, 13(4), 642-659.
- Welbourne, T. M., & Andrews, A. O. (1996). Predicting the performance of initial public offerings: should human resource management be in the equation? *Academy of Management Journal*, 39(4), 891-919.
- Welbourne, T. M. (2009). Editor-in-chief's note: HRM in tough times. *Human Resource Management*, 48(2), 181-182.
- Welbourne, T. M. (2012). Editor-in-chief's note: HRM: the field of dreams. *Human Resource Management*, 51(3), 309-311.
- West, S. G., Finch, J. F., & Curran, P. J. (1995). Structural equation models with non-normal variables: Problems and remedies. In R. H. Hoyle (Ed.), *Structural Equation Modeling* (pp. 56-75). Thousand Oaks: Sage.

- Weston, R., & Gore, P. A. (2006). A brief guide to structural equation modeling. *The Counseling Psychologist*, 34(5), 719-751.
- Wheaton, B., Muthen, B., Alwin, D. F., & Summers, G. F. (1977). Assessing reliability and stability in panel models. *Sociological methodology*, 8(1), 84-136.
- Wiley, C. (1992). A comprehensive view of roles for human resource managers in industry today. *Industrial Management*, 34(6), p. 27.
- World Development Indicators. (2013). Retrieved December 15, 2015, from http://data.worldbank.org/country/vietnam#cp_wdi
- World Development Indicators. (2014). Retrieved May 3, 2016, from <http://databank.worldbank.org/data/reports.aspx?source=2&country=VNM&series=&period=>
- World Development Indicators. (2016). Retrieved May 3, 2016, from <http://databank.worldbank.org/data/reports.aspx?source=2&country=VNM&series=&period=>
- Wright, C. (2008). Reinventing human resource management: Business partners, internal consultants and the limits to professionalization. *Human Relations*, 61(8), 1063-1086.
- Wright, P. M. (2015). People, practices and performance: Problems and prospects. Paper presented at the Australia and New Zealand Academy of Management, University of Otago, Dunedin, New Zealand, December.
- Wright, P. M., Dunford, B. B., & Snell, S. A. (2001). Human resources and the resource based view of the firm. *Journal of Management*, 27(6), 701-721.
- Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2), 295-320.

- Wright, P. M., McMahan, G. C., McCormick, B., & Sherman, W. S. (1998). Strategy, core competence, and HR involvement as determinants of HR effectiveness and refinery performance. *Human Resource Management, 37*(1), 17-29.
- Wright, P. M., McMahan, G. C., & McWilliams, A. (1994). Human resources and sustained competitive advantage: a resource-based perspective. *The International Journal of Human Resource Management, 5*(2), 301-326.
- Wright, P. M., & Snell, S. A. (1998). Toward a unifying framework for exploring fit and flexibility in strategic human resource management. *Academy of Management Review, 23*(4), 756-772.
- Wright, P. M., McMahan, G. C., Snell, S. A., & Gerhart, B. (2001). Comparing line and HR executives' perceptions of HR effectiveness: services, roles, and contributions. *Human Resource Management, 40*(2), 111-123.
- Wright, P. M. & Snell, S. A. (2005). Partner or guardian? HR's challenge in balancing value and values. *Human Resource Management, 44*(2), 177-182.
- Yang, K-S. (2000). Monocultural and cross-cultural indigenous approaches: The royal road to the development of a balanced global psychology. *Asian Journal of Social Psychology, 3*(3), 241-263.
- Youndt, M. A., Snell, S. A., Dean, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy and firm performance. *Academy of Management Journal, 30*(4), 836-866.
- Yusoff, Y. M., Abdullah, H. S., & Baharom, A. (2010). HRM effectiveness within the role of HRM department at the large companies in Malaysia. *International Journal of Business and Management Science, 3*(1), 1-16.
- Zhu, Y., & Fahey, S. (1999). The impact of economic reform on industrial labor relations in China and Vietnam. *Post-Communist Economies, 11*(2), 173-192.

- Zhu, Y., & Fahey, S. (2000). The challenges and opportunities for trade union movement in the transition era: two socialist market economies – China and Vietnam. *Asia Pacific Business Review*, 6(3), 282-299.
- Zhu, Y. & Verstraeten, M. (2013). Human resource management practices with Vietnamese characteristics: a study of managers' responses. *Asia Pacific Journal of Human Resources*, 51(2), 152-174.
- Zhu, Y. (2002). Economic reform and human resource management in Vietnam. *Asia Pacific Business Review*, 8(3), 115-134.
- Zhu, Y. (2005). The Asian crisis and the implications for human resource management in Vietnam. *The International Journal of Human Resource Management*, 16(7), 1261-1276.
- Zhu, Y., Collins, N., Webber, M., & Benson, J. (2008). New forms of ownership and human resource practices in Vietnam. *Human Resource Management*, 47(1), 157-175.
- Zhu, Y., Warner, M., & Rowley, C. (2007). Human resource management with 'Asian' characteristics: a hybrid people-management system in East Asia. *The International Journal of Human Resource Management*, 18(5), 745-768.
- Zikmund, W. G. (2003). *Business Research Methods*. Thomson. Ohio.
- Zupan, N., & Kase, R. (2005). Strategic human resource management in European transition economies: building a conceptual model on the case of Slovenia. *The International Journal of Human Resource Management*, 16(6), 882-906.

Appendix 1

Correction of Wording in the Pilot Studies

English	First translation into Vietnamese	Final translation into Vietnamese	Meanings in English
Process	Quá trình	Quy trình	Process and procedures
Administer	Quản lý	Triển khai thực hiện	Implement
Operate	Điều hành	Điều phối	Operate and coordinate with other functions/ staff
Employee	Nhân viên	Người lao động	Staff and workers
Extensive training	Đào tạo tổng quát	Đào tạo chuyên sâu	Professional training
Every few years	Định kỳ vài năm một lần	Định kỳ sau vài năm	Periodically after several years
Talent management	Quản lý tài năng	Phát triển tài năng	Talent management and development
Leadership behaviours	Hành vi lãnh đạo	Hành vi ứng xử thể hiện năng lực lãnh đạo	Behaviour has shown leadership capacity
Help	Giúp	Phối hợp, cộng tác, tương tác, có tham gia	Coordinate, interact and involve
Align	Định hướng	Làm hài hòa, ăn khớp	Fit
Delivery	Điều phối	Hỗ trợ	Support
Administrative expert	Chuyên gia quản lý	Chuyên gia quản lý hành chính trong nhân sự	Administrative professionals in HR
Employee Champion	Tấm gương của người lao động	Người bảo hộ của người lao động	Protector or guardian of employees

Appendix 2

Questionnaire used in Study 2 and Study 3

PARTICIPANT INFORMATION SHEET

Roles, Status and Influence of Human Resource Management Functions in Vietnamese Organisations

Dear Participant,

My name is Diep Nguyen. I am pursuing PhD in Management at Auckland University of Technology (AUT), New Zealand. This is a survey related to my doctoral study.

I am interested in gaining a better understanding of the roles, status and influence of Human Resource Management functions in the strategic management process in Vietnam. The purpose of the research is to investigate the relationship between the roles, status, and influence of Human Resource Management functions with the perceived effectiveness of the HR department in Vietnamese organisations. The study and its findings will form the basis for the doctoral thesis, a conference paper, a research paper and other academic publications (journals relating to human resource management).

I am looking for the participation of line managers who are currently undertaking postgraduate business programs at the University of Economics Ho Chi Minh city (UEH) or UEH Business Alumni in helping me answer the survey. The study will provide you with an opportunity to re-evaluate and acknowledge the roles of HR department in your organisation. You are invited into the study because you have knowledge and experience in your current work and a comprehensive understanding of your organisation. Your participation is entirely voluntary: you are not obliged to be involved and – if you do participate – you can withdraw up to the end of the data collection without giving any reason and without any consequences.

To obtain comprehensive results, please answer all questions that are presented to you. The study will not involve any discomfort for you. There is no question relating to personal issues, internal conflicts, or any harmful matters you may be experiencing in your current work in the organisation. The study will ensure your confidentiality and anonymity. All aspects of the study, including results, will be anonymous and only the researcher will have access to information on participants.

Please note that the completion of the online survey will be taken as consent to participate.

If you have any questions about the survey, please contact the project supervisor: stephen.teo@aut.ac.nz.

Is there any separate department which is responsible for human resource management (HRM) functions in your organisation?

Yes

No (*terminate*)

Please specify by ticking the appropriate response concerning your organisation:

Q1. Ownership type of your organisation (please choose one answer)

State-owned organisation

Private organisation

Collective organisation

Collective name

Limited Co.

Joint stock Co. without capital of

State

Joint stock Co. with capital of State

FIE: 100% foreign capital

FIE: Joint venture

Q2. Economic activity

Manufacturing

Hospitality and Tourism

Fast-moving consumer goods (FMCG)

Finance and Banking

Others _____

Q3. Product market

Domestic
Export

Export

Domestic and

Q4. Size (the number of full-time equivalent employees)

0 – 9

10 – 49

50 – 249

250 – 499

Over 500

Q5. Firm capital intensity	Well below average			Well above average	
Compared to its closest competitors, your organisation's total investment (in absolute Vietnamese dong) in fixed capital stock (machinery, buildings, etc.) is?	1	2	3	4	5

Q6. What is your current occupation in your organisation?

Director-General/ CEO

Deputy Director-General

HR Manager

Finance/ Budgeting Manager

Production Manager

Supply Chain Manager

Marketing/ Sales Manager

R&D Manager

Others

Q7. How long have you been working in your current position?

Q8. How long have you been employed with your organisation?

Q9. The following are statements concerning your organisation's HR orientations. Please read them carefully and indicate your level of agreement with each of these statements	<i>Strongly disagree</i>			<i>Strongly agree</i>	
We take care of our workforce, no matter what business challenges we face	1	2	3	4	5
We would suffer lower profits before terminating employees	1	2	3	4	5
We invest heavily in our employees because we know that they determine the success of our business	1	2	3	4	5
We maintain a long-term commitment to the growth and well-being of our employees	1	2	3	4	5
Employees can fully utilise their knowledge and skills in the organisation	1	2	3	4	5
Employees have a sense of belonging and commitment to the organisation	1	2	3	4	5
Employees are able to discuss operational issues in an open, frank, and constructive manner	1	2	3	4	5
Employees maintain rapport relationship with each other and are willing to share information	1	2	3	4	5
Employees at all levels establish a high standard for themselves and expect a high effectiveness at work	1	2	3	4	5
Employees can freely discuss job-related issues with their supervisor	1	2	3	4	5
This organisation matches the characteristics of managers to the strategic plan of the organisation	1	2	3	4	5
This organisation identifies managerial characteristics necessary to run the organisation in the long term	1	2	3	4	5
This organisation modifies the compensation system to encourage managers to achieve long term strategic objectives	1	2	3	4	5
This organisation designs staffing patterns to help implement business or corporate strategies	1	2	3	4	5
This organisation evaluates key personnel based on their potential for carrying out strategic goals	1	2	3	4	5
This organisation conducts job analysis based on what the job may entail in the future	1	2	3	4	5
This organisation conducts staff development programs designed to support strategic changes	1	2	3	4	5

Q10. Please indicate how accurately each of the following statements describes the influence of your HR department on organisational and strategic management	<i>Strongly disagree</i>			<i>Strongly agree</i>	
The HR department is viewed as an important department in this organisation	1	2	3	4	5
The HR department works closely with senior management group on the key strategic issues	1	2	3	4	5

Q10. Please indicate how accurately each of the following statements describes the influence of your HR department on organisational and strategic management facing this organisation	<i>Strongly disagree</i>					<i>Strongly agree</i>
The HR department seems to keep informed about the best HRM practices that are used in other organisations	1	2	3	4	5	
Overall, the HR department in this organisation has a lot of influence	1	2	3	4	5	

Q11. Please rate your agreement with the effectiveness of your department in relation to the organisational effectiveness	<i>Strongly disagree</i>					<i>Strongly agree</i>
The HR department is able to affect the outcomes of major business decisions (e.g., new product development)	1	2	3	4	5	
The HR department meets your expectations in its HRM roles and responsibilities	1	2	3	4	5	
The HR department is effective in developing necessary skills among employees	1	2	3	4	5	
The HR department is effective in attracting and retaining competent employees	1	2	3	4	5	
The HR department is a value-added/bottom line contributor to your organisation	1	2	3	4	5	
Overall, you evaluate your HR department as performing its job the way you would like it to be performed	1	2	3	4	5	

Q12. Please rate the strategic involvement of your department in relation to organisational effectiveness	<i>Extremely uninvolved</i>					<i>Extremely involved</i>
The HR department provides input into the organisation's long-range strategic planning	1	2	3	4	5	
The HR department meets with the organisational manager to discuss HR issues	1	2	3	4	5	
The HR department meets the organisational manager to discuss how HR can support the organisation's long-range strategy	1	2	3	4	5	
The HR department proposes innovative HR programs to enhance competitiveness	1	2	3	4	5	
The HR department identifies future HR issues that could help or hinder future competitiveness	1	2	3	4	5	
The HR department develops HR systems to implement organisational strategy	1	2	3	4	5	
The HR department revises existing HR systems to be supportive of organisational strategies	1	2	3	4	5	

Q13. Please indicate the level to which HR practices are implemented in your organisation	<i>Strongly disagree</i>			<i>Strongly agree</i>	
Employees have clear career paths within this organisation	1	2	3	4	5
Employees have very little future within this organisation	1	2	3	4	5
Employees' career aspirations within the organisation are known by their immediate supervisors	1	2	3	4	5
Employees who desire promotion have more than one potential position they could be promoted to	1	2	3	4	5
Extensive training programs are provided for employees in this organisation	1	2	3	4	5
Employees will normally go through training programs every few years	1	2	3	4	5
There are formal training programs to teach new hires the skills they need to perform their jobs	1	2	3	4	5
Formal training programs are offered to employees in order to increase their promotability in this organisation	1	2	3	4	5
Performance is more often measured with objective, quantifiable results	1	2	3	4	5
Performance appraisals are based on objective, quantifiable results	1	2	3	4	5
Employees can expect to stay in the organisation for as long as they wish	1	2	3	4	5
It is very difficult to dismiss an employee in this organisation	1	2	3	4	5
Job security is almost guaranteed to employees in this organisation	1	2	3	4	5
If the organisation was facing economic problems, employees would be the last to get cut	1	2	3	4	5
The duties of each job are clearly defined	1	2	3	4	5
The organisation has up-to-date job descriptions	1	2	3	4	5
The job description for each position contains all the duties performed by individual employees	1	2	3	4	5
The actual job duties are shaped more by the employee than by a specific job description	1	2	3	4	5
Employees receive bonuses based on the profit of the organisation	1	2	3	4	5
Employees are allowed to make many decisions	1	2	3	4	5
Employees are often asked by their supervisor to participate in decisions	1	2	3	4	5
Employees are provided with the opportunity to suggest improvements in the way things are done	1	2	3	4	5
Superiors keep open communications with employees in their jobs	1	2	3	4	5

Q14. On the scale below, please circle the appropriate response	<i>Strongly disagree</i>					<i>Strongly agree</i>				
The HR department should make most HR-related decisions without consulting other departments	1	2	3	4	5	1	2	3	4	5
It is frequently necessary for the HR department to use authority and power when dealing with other departments	1	2	3	4	5	1	2	3	4	5
The HR department should seldom ask for the opinions of other departments	1	2	3	4	5	1	2	3	4	5
The HR department should avoid off-the-job social contacts with other departments	1	2	3	4	5	1	2	3	4	5
Other departments should not disagree with HR-related decisions	1	2	3	4	5	1	2	3	4	5
The HR department should not delegate important HR-related tasks to other departments	1	2	3	4	5	1	2	3	4	5

Q15. On the scale below, please circle the appropriate response	<i>Strongly disagree</i>					<i>Strongly agree</i>				
My work involves a great deal of paperwork and administration	1	2	3	4	5	1	2	3	4	5
My work is highly regulated by bureaucratic procedures	1	2	3	4	5	1	2	3	4	5
There are a lot of rules and regulations in my organisation	1	2	3	4	5	1	2	3	4	5

END OF SURVEY

Thank you for your participation in this project

Appendix 3

Questionnaire used in Study 4

Research title: Investigating the roles performed by Human Resource departments in Vietnamese organisations

Dear Participants,

I would like to seek your participation in a survey to examine the roles, involvement and effectiveness of the HR department in your organisation based on the Western literature and studies in the adoption of HRM in Vietnamese organisations.

This project is unfunded and conducted by Thi Ngoc Diep Nguyen, a Ph.D student at Auckland University of Technology (AUT), New Zealand. The aim of the project is to explore the influence and effectiveness of the HR department in high performing organisations through its effective roles and involvement by investigating perceptions of key stakeholders about the HR department.

Confidentiality and Anonymity: Data collected will be completely confidential and will not be accessed by any other persons besides the researcher. Your responses will not influence your current work and your relationships within your organisation.

Feedback and Reporting: Findings and recommendations from this study will possibly be published in scholarly journals.

Please note that the completion of the online survey will be taken as consent to participate.

If you have any questions about the survey, please contact the project supervisor: stephen.teo@aut.ac.nz.

Screening question

Is there any separate department which is responsible for human resource management (HRM) functions in your organisation?

Yes

No (terminate)

Main questions

Please specify by ticking the appropriate response:

1.1. Your organisation

1.1.1. Ownership

State-owned enterprise

Privately owned enterprise

Foreign investment enterprise

1.1.2. Industry

Manufacturing

Service

1.1.3. Product market

Domestic

Export

Domestic and Export

1.1.4. Size (the number of full-time employees)

0 – 9

10 – 49

50 - 249

250 - 499

Over 500

1.1.5. Labour intensive (the level of labour use)

Low

High

1.1.6. What is your current occupation in your organisation?

.....

Please rate the effectiveness of your HR department in performing an Administrative Expert role towards enhancing your organisation's performance	<i>Extremely ineffective</i> <i>Extremely effective</i>				
The HR department develops processes and programs to efficiently process documents and transactions	1	2	3	4	5
The HR department makes sure that HR processes and programs are efficiently administered	1	2	3	4	5
The HR department works to monitor administrative processes and programs	1	2	3	4	5
The HR department is measured by its ability to efficiently deliver HR processes	1	2	3	4	5
The HR department is an active participant in designing/ delivering HR processes	1	2	3	4	5
The HR department is seen as an administrative	1	2	3	4	5

expert					
The HR department spends time on operational issues	1	2	3	4	5
The HR department's credibility comes from increasing productivity	1	2	3	4	5
The HR department helps the organisation improve operating efficiency	1	2	3	4	5
The HR department participates in designing HR processes	1	2	3	4	5

Please rate the effectiveness of the HR department in performing an Employee Champion role towards enhancing your organisation's performance	<i>Extremely ineffective</i>				<i>Extremely effective</i>
The HR department is an active participant in listening and responding to employees	1	2	3	4	5
The HR department spends time on listening and responding to employees	1	2	3	4	5
The HR department develops processes and programs to take care of employee personal demands	1	2	3	4	5
The HR department works to offer assistance to help employees meet family and personal needs	1	2	3	4	5
The HR department is measured by its ability to help employees meet personal needs	1	2	3	4	5
The HR department makes sure that HR processes and programs meet the needs of employees	1	2	3	4	5
The HR department is seen as a champion for employees	1	2	3	4	5
The HR department helps the organisation generate employee commitment	1	2	3	4	5
The HR department participates in building employee morale	1	2	3	4	5
The HR department's credibility comes from maintaining employee morale	1	2	3	4	5

Please rate the effectiveness of the HR department in performing a Strategic partner/ Change Agent role towards enhancing your organisation's performance	<i>Extremely ineffective</i>				<i>Extremely effective</i>
The HR department develops processes and programs to link HR strategies to accomplish business strategies	1	2	3	4	5
The HR department is seen as a business partner	1	2	3	4	5
The HR department is an active participant in business planning	1	2	3	4	5
The HR department spends time on strategic issues	1	2	3	4	5
The HR department's credibility comes from helping to make business strategy happen	1	2	3	4	5

Please rate the effectiveness of the HR department in performing a Strategic partner/ Change Agent role towards enhancing your organisation's performance	<i>Extremely ineffective</i>					<i>Extremely effective</i>				
The HR department works to align HR strategies and business strategy	1	2	3	4	5	1	2	3	4	5
The HR department helps the organisation accomplish business goals	1	2	3	4	5	1	2	3	4	5
The HR department is measured by its ability to help make business strategies	1	2	3	4	5	1	2	3	4	5
The HR department participates in the process of defining business strategies	1	2	3	4	5	1	2	3	4	5
The HR department makes sure that HR strategies are aligned with business strategy	1	2	3	4	5	1	2	3	4	5
The HR department is seen as change agent	1	2	3	4	5	1	2	3	4	5
The HR department's credibility comes from making change happen	1	2	3	4	5	1	2	3	4	5
The HR department is an active participant in organisation renewal, change or transformation activities	1	2	3	4	5	1	2	3	4	5
The HR department spends time on supporting new behaviours for keeping the organisational competitive	1	2	3	4	5	1	2	3	4	5
The HR department works to reshape behaviour or helps anticipate future people needs	1	2	3	4	5	1	2	3	4	5
The HR department makes sure that HR processes and programs increase the organisation's ability to change	1	2	3	4	5	1	2	3	4	5
The HR department is measured by its ability to help the organisation anticipate and adapt to future issues	1	2	3	4	5	1	2	3	4	5
The HR department develops processes and programs to think about future people issues	1	2	3	4	5	1	2	3	4	5
The HR department participates in driving culture change	1	2	3	4	5	1	2	3	4	5
The HR department helps the organisation adapt to changes	1	2	3	4	5	1	2	3	4	5
The HR department helps employees understand why change is important	1	2	3	4	5	1	2	3	4	5
The HR department helps the organisation create the need for change	1	2	3	4	5	1	2	3	4	5

Please rate the effectiveness of your HR department in performing a Talent and Resource Manager role towards enhancing your organisation's performance	<i>Extremely ineffective</i>					<i>Extremely effective</i>				
The HR department provides accurate and candid feedback.	1	2	3	4	5	1	2	3	4	5
The HR department uses challenging and valuable work to motivate and retain key talent.	1	2	3	4	5	1	2	3	4	5
The HR department works to attract, promote and	1	2	3	4	5	1	2	3	4	5

retain appropriate people.					
The HR department removes people from the organisation when appropriate.	1	2	3	4	5
The HR department works to manager work diversity.	1	2	3	4	5
The HR department facilitates establishment of clear performance standards.	1	2	3	4	5
The HR department works to offer training programs.	1	2	3	4	5
The HR department develops people management skills in leaders and managers.	1	2	3	4	5
The HR department sets expectations for leadership behaviours.	1	2	3	4	5

Please indicate (by circling) how accurately each of following statements described the influence of your HR department on the organisational and strategic management	<i>Strongly disagree</i>					<i>Strongly agree</i>
HR department is viewed as an important department in my organisation	1	2	3	4	5	
HR department works closely with senior management group on the key strategic issues facing my organisation	1	2	3	4	5	
HR department seems to keep informed about the best HRM practices that are used in other organisations	1	2	3	4	5	
Overall, the HR department has a lot of influence	1	2	3	4	5	

Please rate the strategic involvement of your HR department in relation to the organisational effectiveness	<i>Extremely uninvolved</i>					<i>Extremely involved</i>
The HR department provides input into the organisation's long-range strategic planning	1	2	3	4	5	
The HR department meets with the organisation manager to discuss HR issues	1	2	3	4	5	
The HR department meets the organisation manager to discuss how HR can support the organisation's long-range strategy	1	2	3	4	5	
The HR department proposes innovative HR programs to enhance competitiveness	1	2	3	4	5	
The HR department identifies future HR issues that could help or hinder future competitiveness	1	2	3	4	5	
The HR department develops HR systems to implement organisational strategy	1	2	3	4	5	
The HR department revises existing HR systems to be supportive of organisational strategies	1	2	3	4	5	

Please rate the effectiveness of your HR department in relation to the organisational effectiveness	<i>Extremely ineffective</i>					<i>Extremely effective</i>
The HR department is able to affect outcomes of	1	2	3	4	5	

major business decisions (e.g., new product development)					
The HR department meets your expectations in its HRM roles and responsibilities	1	2	3	4	5
The HR department is effective in developing necessary skills among employees	1	2	3	4	5
The HR department is effective in attracting and retaining competent employees	1	2	3	4	5
The HR department is a value added/bottom line contributor to your organisation	1	2	3	4	5
Overall, to what extent do you feel your HR department is performing its job the way you would like it to be performed?	1	2	3	4	5

Compared to other organisations that do the same kind of work, how would you compare your organisation's performance over the last three years in terms of the following	<i>Worst</i>				<i>Much better</i>
Quality of products, services or programs	1	2	3	4	5
Development of new products, services or programs	1	2	3	4	5
Ability to attract essential employees	1	2	3	4	5
Ability to retain essential employees	1	2	3	4	5
Satisfaction of customer or clients	1	2	3	4	5
Relations between management and other employees	1	2	3	4	5
Relations among employees in general	1	2	3	4	5

On the scale below, please circle the appropriate response	<i>Strongly disagree</i>				<i>Strongly agree</i>
Our organisation offers a narrow range of products/ services	1	2	3	4	5
The characteristics of our products/ services differ a great deal from one another	1	2	3	4	5
Our organisation sells to a wide variety of customers	1	2	3	4	5
The needs of our customers are very similar to one another	1	2	3	4	5
Our organisation offers many different products/ services to customers	1	2	3	4	5
Our organisation establishes and maintains a stable product/ service market posture	1	2	3	4	5
Our organisation is at the forefront of innovation and development	1	2	3	4	5
Our business procedures have changed several times in the past years	1	2	3	4	5
The characteristics of our products/ services are modified frequently	1	2	3	4	5
The needs of our customers vary quite a bit from one year to the next	1	2	3	4	5

On the scale below, please circle the appropriate response	<i>Strongly disagree</i>				<i>Strongly agree</i>
Our organisation is attracting and retaining competent employees	1	2	3	4	5
Our organisation is developing necessary skills among employees	1	2	3	4	5
Our organisation is developing efficient production processes	1	2	3	4	5
Our organisation is improving employee motivation and morale	1	2	3	4	5
Our organisation is securing new business contracts	1	2	3	4	5
Our organisation is perceiving new market opportunities and threats	1	2	3	4	5
Our business is developing new products/ services	1	2	3	4	5

On the scale below, please circle the appropriate response	<i>Strongly disagree</i>				<i>Strongly agree</i>
My work involves a great deal of paperwork and administration	1	2	3	4	5
My work is highly regulated by bureaucratic procedures	1	2	3	4	5
There are a lot of rules and regulations in my organisation	1	2	3	4	5

END OF SURVEY

Thank you for your participation in this project.

Appendix 4

Result of Normality Distribution Test in Study 2

Variable	Sample 1 (N1=405)		Sample 2 (N2=155)	
	skewness	kurtosis	skewness	kurtosis
PD6. Managers should not delegate important tasks to employees	0.096	-0.879	-0.718	-0.284
PD5. Other departments should not disagree with HR-related decisions	0.270	-0.772	-0.182	-1.124
PD4. The HR department should avoid off-the-job social contacts with other departments	0.716	-0.267	-0.008	-1.276
PD3. The HR department should seldom ask for the opinions of other departments	0.531	-0.411	0.100	-1.341
PD2. It is frequently necessary for a manager to use authority and power when dealing with subordinates	0.168	-0.628	-0.189	-0.708
PD1. The HR department should make most HR-related decisions without consulting other departments	0.499	-0.558	-0.247	-0.969
INF4. Overall, the HR department in this organisation has a lot of influence	-0.356	-0.423	-1.242	1.748
INF3. The HR department seems to keep informed about the best HRM practices that are used in other organisations	-0.196	-0.480	-0.721	0.056
INF2. The HR department works closely with senior management group on the key strategic issues facing this organisation	-0.381	-0.43	-1.144	1.150
INF1. The HR department is viewed as an important department in this organisation	-0.496	-0.099	-1.234	1.372
INV7. The HR department revises existing HR systems to be supportive of organisational strategies	-0.413	-0.274	-1.059	1.706
INV6. The HR department develops HR systems to implement organisational strategy	-0.392	-0.379	-1.213	1.692
INV5. The HR department identifies future HR issues that could help or hinder future competitiveness	-0.275	-0.386	-1.085	1.498
INV4. The HR department proposes innovative HR programs to enhance competitiveness	-0.328	-0.566	-1.080	1.442
INV3. HR department meets the organisational manager to discuss how HR can support the organisation's long-range strategy	-0.487	-0.282	-1.133	1.483
INV2. The HR department meets with the organisational manager to discuss HR issues	-0.683	0.219	-1.276	2.189

Variable	Sample 1 (N1=405)		Sample 2 (N2=155)	
	skewness	kurtosis	skewness	kurtosis
INV1. The HR department provides input into the organisation's long-range strategic planning	-0.112	-0.647	-0.806	0.264
EF13. Overall, you evaluate your HR department is performing its job the way you would like it to be performed	-0.212	-0.480	-0.862	0.386
EF5. The HR department is a value added/bottom line contributor to your organisation	-0.170	-0.613	-0.736	-0.151
EF4. The HR department is effective in attracting and retaining competent employees	-0.090	-0.704	-0.922	0.043
EF3. The HR department is effective in developing necessary skills among employees	-0.172	-0.630	-0.845	0.343
EF2. The HR department meets your expectations in its HRM roles and responsibilities	-0.176	-0.501	-0.827	0.563
EF1. The HR department is able to affect outcomes of major business decisions (e.g., new product development)	0.148	-0.750	-0.383	-0.785

Appendix 5

Result of Normality Distribution Test in Study 3

Variable	Sample 1 (N1=405)		Sample 2 (N2=192)	
	skewness	kurtosis	skewness	kurtosis
HRO17. This organisation conducts staff development programs designed to support strategic changes	-0.416	-0.075	-0.671	-0.013
HRO16. This organisation conducts job analysis based on what the job may entail in the future	-0.470	-0.010	-0.361	-0.101
HRO15. This organisation evaluates key personnel based on their potential for carrying out strategic goals	-0.61	0.045	-0.739	0.169
HRO14. This organisation designs staffing patterns to help implement business or corporate strategies	-0.41	-0.289	-0.790	0.530
HRO13. This organisation modifies the compensation system to encourage managers to achieve long term strategic objectives	-0.496	-0.08	-0.588	-0.247
HRO12. This organisation identifies managerial characteristics necessary to run the organisation in the long term	-0.517	0.111	-0.703	-0.035
HRO11. This organisation matches the characteristics of managers to the strategic plan of the organisation	-0.557	-0.152	-0.636	-0.153
HRO4. We maintain a long-term commitment to the growth and well-being of our employees	-0.466	-0.36	-0.633	0.015
HRO3. We invest heavily in our employees because we know that they determine the success of our business	-0.661	-0.054	-0.689	-0.052
HRO2. We would suffer lower profits before terminating employees	0.04	-0.669	-0.428	-0.246
HRO1. We take care of our workforce, no matter what business challenges we face	0.051	-0.663	-0.447	-0.160
HRP23. Superiors keep open communications with employees in their jobs	-0.559	0.193	-0.875	0.374
HRP22. Employees are provided the opportunity to suggest improvements in the way things are done	-0.550	0.193	-0.750	0.160
HRP21. Employees are often asked by their supervisor to participate in decisions	-0.162	-0.553	-0.507	-0.540
HRP20. Employees are allowed to make many decisions	0.004	-0.935	-0.068	-0.903
HRP19. Employees receive bonuses based on the profit of the organisation	-0.564	-0.359	-0.717	0.047

Variable	Sample 1 (N1=405)		Sample 2 (N2=192)	
HRP18. The actual job duties are shaped more by the employee than by a specific job description	0.415	-0.335	0.578	-0.205
HRP17. The job description for each position contains all the duties performed by individual employees	-0.353	-0.502	-0.577	-0.124
HRP16. The organisation has up-to-date job descriptions	-0.232	-0.725	-0.424	-0.729
HRP15. The duties of each job are clearly defined	-0.345	-0.345	-0.666	0.261
HRP14. If the organisation was facing economic problems, employees would be the last to get cut	-0.299	-0.721	-0.530	-0.440
HRP13. Job security is almost guaranteed to employees in this organisation	-0.315	-0.212	-0.558	-0.149
HRP12. It is very difficult to dismiss an employee in this organisation	-0.100	-0.825	-0.299	-0.774
HRP11. Employees can expect to stay in the organisation for as long as they wish	-0.464	-0.197	-0.718	-0.014
HRP8. Formal training programs are offered to employees in order to increase their promotability in this organisation	-0.437	-0.504	-0.608	-0.274
HRP7. There are formal training programs to teach new hires the skills they need to perform their jobs	-0.374	-0.513	-0.718	-0.113
HRP6. Employees will normally go through training programs every few years	-0.385	-0.576	-0.518	-0.490
HRP5. Extensive training programs are provided for employees in this organisation	-0.351	-0.538	-0.680	-0.079
HRP4. Employees who desire promotion have more than one potential position they could be promoted to	-0.451	-0.435	-0.637	-0.017
HRP10. Performance appraisals are based on objective, quantifiable results	-0.318	-0.199	-0.740	0.159
HRP9. Performance is more often measured with objective quantifiable results	-0.367	-0.354	-0.525	-0.325
HRP3. Employees' career aspiration within the organisation are known by their immediate supervisors	-0.625	-0.012	-0.563	-0.124
HRP2. Employees have very little future within this organisation	-0.223	-0.711	-0.119	-1.051
HRP1. Employees have clear career paths within this organisation	-0.344	-0.059	-0.655	0.058
HRO10. Employees can freely discuss job-related issues with their supervisor	-0.549	-0.217	-0.833	0.407
HRO9. Employees at all levels establish a	-0.464	0.081	-0.524	0.109

Variable	Sample 1 (N1=405)		Sample 2 (N2=192)	
high standard for themselves and expect a high effectiveness at work				
HRO8. Employees maintain rapport relationship with each other and are willing to share information	-0.627	0.463	-0.744	0.369
HRO7. Employees are able to discuss operational issues in an open, frank, and constructive manner	-0.32	-0.787	-0.703	-0.223
HRO6. Employees have a sense of belonging and commitment to the organisation	-0.468	-0.235	-0.887	0.690
HRO5. Employees can fully utilise their knowledge and skills in the organisation	-0.742	0.455	-0.691	-0.022
EF13. Overall, you evaluate your HR department is performing its job the way you would like it to be performed	-0.212	-0.48	-0.658	0.036
EF5. The HR department is a value added/bottom line contributor to your organisation	-0.17	-0.613	-0.667	-0.155
EF4. The HR department is effective in attracting and retaining competent employees	-0.09	-0.704	-0.842	0.118
EF3. The HR department is effective in developing necessary skills among employees	-0.172	-0.63	-0.662	0.015
EF2. The HR department meets your expectations in its HRM roles and responsibilities	-0.176	-0.501	-0.620	0.244
EF1. The HR department is able to affect outcomes of major business decisions (e.g., new product development)	0.148	-0.750	-0.382	-0.694

Appendix 6

Result of Normality Distribution Test in Study 4 (N=484)

Variable	skewness	kurtosis
OS10. The needs of our customers vary quite a bit from one year to the next	-0.469	-0.357
OS9. The characteristics of our products/ services are modified frequently	-0.179	-0.752
OS8. Our business procedures have changed several times in past years	-0.237	-0.606
OS7. Our organisation is at the forefront of innovation and development	-0.113	-0.852
OS6. Our organisation establishes and maintains a stable product market posture	0.557	-0.082
OS5. Our organisation offers many different products/ services to customers	-0.358	-0.769
OS4. The needs of our customers are very similar to one another	0.416	-0.504
OS3. Our organisation sells to a wide variety of customers	-0.329	-0.839
OS2. The characteristics of our products differ a great deal from one another	-0.246	-0.630
OS1. Our organisation offers a narrow range of products	-0.036	-0.055
CC7. Our business is developing new products	-0.487	-0.527
CC6. Our organisation is perceiving new market opportunities and threats	-0.482	-0.233
CC5. Our organisation is securing new business contract	-0.427	-0.312
CC4. Our organisation is improving employee motivation and morale	-0.463	-0.344
CC3. Our organisation is developing efficient production processes	-0.405	-0.311
CC2. Our organisation is developing necessary skills among employees	-0.471	-0.492
CC1. Our organisation is attracting and retaining competent employees	-0.490	-0.626
OP1. Quality of products, services or programs	-0.503	0.173
OP2. Development of new products, services or programs	-0.355	-0.196
OP7. Relations among employees in general	-0.33	-0.076
OP6. Relations between management and other employees	-0.336	-0.236
OP5. Satisfaction of customers or clients	-0.323	-0.228
OP4. Ability to retain essential employees	-0.251	-0.695
OP3. Ability to attract essential employees	-0.207	-0.498
IV7. The HR department revises existing HR systems to be supportive of organisational strategies	-0.51	-0.284
IV6. The HR department develops HR systems to implement organisational strategy	-0.457	-0.501
IV5. The HR department identifies future HR issues that could help or hinder future competitiveness	-0.321	-0.62
IV4. The HR department proposes innovative HR programs to enhance competitiveness	-0.434	-0.573

Variable	skewness	kurtosis
IV3. The HR department meets the organisation manager to discuss how HR can support the organisation's long-range strategy	-0.518	-0.407
IV2. The HR department meets with the organisation manager to discuss HR issues	-0.601	-0.292
IV1. The HR department provides input into the organisation's long-range strategic planning	-0.324	-0.628
IN4. Overall, the HR department has a lot of influence	-0.501	-0.370
IN3. The HR department seems to keep informed about the best HRM practices that are used in other organisations	-0.328	-0.587
IN2. The HR department works closely with senior management group on the key strategic issues facing my organisation	-0.461	-0.514
IN1. The HR department is viewed as an important department in my organisation	-0.454	-0.514
EF6. Overall, to what extent do you feel your HR department is performing its job the way you would like it to be performed?	-0.213	-0.611
EF5. The HR department is a value added/ bottom line contributor to your organisation	-0.310	-0.666
EF4. The HR department is effective in attracting and retaining competent employees	-0.417	-0.76
EF3. The HR department is effective in developing necessary skills among employees	-0.341	-0.627
EF2. The HR department meets your expectations in its HRM roles and responsibilities	-0.321	-0.481
EF1. The HR department is able to affect outcomes of major business decisions (e.g., new product development)	-0.044	-0.870
E21. The HR department helps the organisation generate employee commitment	-0.493	-0.067
E32. The HR department helps the organisation accomplish business goals	-0.233	-0.612
E1. The HR department develops processes and programs to efficiently process documents and transactions	-0.217	-0.71
E3. The HR department works to monitor administrative processes and programs	-0.276	-0.377
E7. The HR department spends time on operational issues	-0.055	-0.734
E57. The HR department sets expectations for leadership behaviours	-0.249	-0.72
E56. The HR department develops people management skills in leaders and managers	-0.511	-0.5
E55. The HR department works to offer training programs	-0.564	-0.346
E54. The HR department facilitates establishment of clear performance	-0.326	-0.552
E52. The HR department removes people from the organisation when appropriate	-0.497	-0.479
E53. The HR department works to manager work diversity	-0.358	-0.445
E51. The HR department works to attract, promote and retain appropriate people	-0.471	-0.738
E50. The HR department uses challenging and valuable work to motivate and retain key talent	-0.432	-0.654

Variable	skewness	kurtosis
E49. The HR department provides accurate and candid feedback.	-0.278	-0.531
E23. The HR department's credibility comes from maintaining employee morale	-0.235	-0.619
E22. The HR department participates in building employee morale	-0.188	-0.631
E21. The HR department helps the organisation generate employee commitment	-0.493	-0.067
E20. The HR department is seen as a champion for employees	0.072	-0.697
E19. The HR department makes sure that HR processes and programs meet needs of employees	-0.261	-0.52
E18. The HR department is measured by its ability to help employees meet personal needs	-0.021	-0.704
E44. The HR department participates in driving culture change	-0.073	-0.837
E36. The HR department is seen as change agent	0.019	-0.562
E45. The HR department helps the organisation adapt to changes	-0.26	-0.449
E39. The HR department spends time on supporting new behaviours for keeping the organisational competitive	-0.112	-0.633
E38. The HR department is an active participant in organisation renewal, change or transformation activities	-0.307	-0.604
E37. The HR department's credibility comes from making change happen	-0.091	-0.722
E35. HR department makes sure that HR strategies are aligned with business strategy	-0.324	-0.746
E34. The HR department participates in the process of defining business strategies	0.049	-0.817
E33. The HR department is measured by its ability to help make business strategies	-0.021	-0.697
E31. The HR department works to align HR strategies and business strategy	-0.417	-0.485
E30. The HR department's credibility comes from helping to make business strategy happen	0.133	-0.696
E29. The HR department spends time on strategic issues	0.182	-0.703
E28. The HR department is an active participant in business planning	0.302	-0.654
E27. The HR department is seen as a business partner	0.089	-0.556
E26. The HR department develops processes and programs to link HR strategies to accomplish business strategies	-0.319	-0.653
E4. The HR department is measured by its ability to efficiently deliver HR processes	-0.544	-0.264
E10. The HR department participates in designing HR processes	-0.621	-0.184
E9. The HR department helps the organisation improve operating efficiency	-0.359	-0.495
E5. The HR department is an active participant in designing/ delivering HR processes	-0.554	-0.273
E2. The HR department makes sure that HR processes and programs are effectively administered	-0.615	0.079
E8. The HR department's credibility comes from increasing productivity	-0.044	-0.657

Variable	skewness	kurtosis
E14. The HR department is an active participant in listening and responding to employees	-0.462	-0.436
E15. The HR department spends time on listening and responding to employees	-0.333	-0.526
E16. The HR department develops processes and programs to take care of employee personal demands	-0.261	-0.500
E17. The HR department works to offer assistance to help employees meet family and personal needs	-0.103	-0.523
E6. The HR department is seen as an administrative expert	-0.075	-0.715
E40. The HR department works to reshape behaviour or helps anticipate future people needs	-0.375	-0.623
E41. The HR department makes sure that HR processes and programs increase the organisation's ability to change	-0.260	-0.573
E42. The HR department is measured by its ability to help the organisation anticipate and adapt to future issues	-0.078	-0.850
E43. The HR department develops processes and programs to think about future people issues	-0.232	-0.698

Appendix 7

EFA and Reliability Test Results in Study 2

	Original Scale		Refined Scale	
	Factor loading	Communalities	Factor loading	Communalities
Formal Authority				
PD3	0.79	0.62	0.84	0.71
PD4	0.77	0.60	0.81	0.65
PD5	0.71	0.51	0.73	0.54
PD2	0.68	0.46	Eliminated	
PD1	0.74	0.55	0.73	0.53
PD6	0.53	0.28	Eliminated	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.82		0.78	
Bartlett's Test of Sphericity				
Approx. chi-Square	680.82		452.41	
df	15		6	
Sig.	< .001		< .001	
% variance extracted	50.23		60.92	
Eigenvalue	3.01		2.44	
Cronbach's alpha	0.80		0.78	
HR department Involvement				
INV3	0.87	0.76	0.87	0.77
INV4	0.86	0.73	0.86	0.74
INV5	0.85	0.73	0.85	0.74
INV6	0.85	0.72	0.85	0.74

	Original Scale		Refined Scale	
INV7	0.84	0.70	0.84	0.72
INV2	0.81	0.66	0.81	0.67
INV1	0.68	0.46	Eliminated	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.92		0.91	
Bartlett's Test of Sphericity				
Approx. Chi-Square	1903.17		1731.50	
df	21		15	
Sig.	<.001		<.001	
% variance extracted	68.14		72.86	
Eigenvalue	4.77		4.37	
Cronbach's alpha	0.92		0.93	
HR department Influence				
INF1	0.85	0.72		
INF2	0.88	0.77		
INF3	0.80	0.63		
INF4	0.90	0.80		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.79			
Bartlett's Test of Sphericity				
Approx. Chi-Square	874.36			
df	6			
Sig.	<.001			
% variance extracted	73.11			
Eigenvalue	2.92			
Cronbach's alpha	0.88			

	Original Scale		Refined Scale	
HR department Effectiveness				
EF1	0.62	0.39	Eliminated	
EF2	0.81	0.66	0.83	0.68
EF3	0.83	0.69	0.83	0.69
EF4	0.83	0.68	0.84	0.71
EF5	0.82	0.68	0.82	0.68
EF13	0.86	0.73	0.87	0.75
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.90		0.89	
Bartlett's Test of Sphericity				
Approx. Chi-Square	1220.85		1096.55	
df	15		10	
Sig.	< .001		< .001	
% variance extracted	63.77		70.17	
Eigenvalue	3.83		3.51	
Cronbach's alpha	0.88		0.89	

Appendix 8

Results of Joint Factor Analysis for All Scales in Study 2

	HR Department Involvement	HR Department Effectiveness	Formal Authority	HR Department Influence
INV3	0.83			
INV7	0.82			
INV5	0.81			
INV6	0.80			
INV4	0.79			
INV2	0.76			
EF4		0.82		
EF13		0.79		
EF2		0.78		
EF3		0.78		
EF5		0.69		
PD3			0.84	
PD4			0.80	
PD1			0.74	
PD5			0.72	
INF1				0.84
INF2				0.78
INF3				0.77
INF4				0.76

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.916
Bartlett's Test of Sphericity	
Approx. Chi-square	4429.001
df	153
Sig.	< .001
% of Variance extracted	71.162
Eigenvalue	4.44

Appendix 9

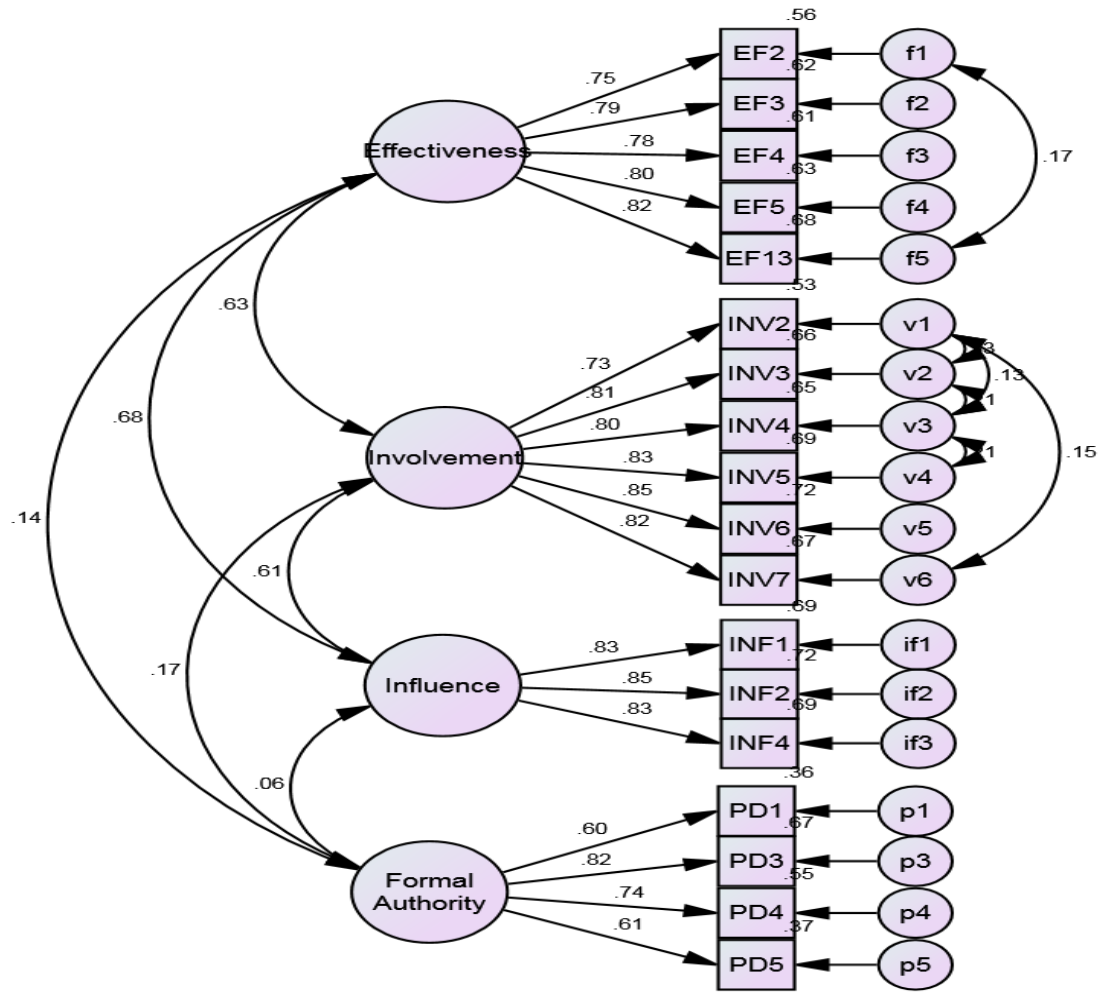
CFA Results for Individual Scales in Study 2

Construct/ Items	Regression Coefficient		Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA
	Unstandardised	Standardised								
Formal Authority					0.129 (0.937)	2	0.065	1	0.01	0.001
PD1	1.00	0.61	N/A							
PD3	1.34	0.82	0.120	***						
PD4	1.23	0.74	0.120	***						
PD5	1.01	0.61	0.110	***						
HR Department Involvement					5.042 (0.283)	4	1.261	0.99	0.99	0.025
INV2	1.00	0.71	N/A							
INV3	1.21	0.81	0.066	***						
INV4	1.19	0.79	0.076	***						
INV5	1.2	0.83	0.078	***						
INV6	1.24	0.85	0.080	***						
INV7	1.17	0.82	0.070	***						
HR Department Influence					4.930 (0.177)	3	1.643	0.99	0.99	0.040
INF2	1.3	0.93	0.090	***						
INF4	1.4	0.96	0.100	***						
INF1	1.00	0.74	N/A							
INF3	0.95	0.66	0.070	***						

Construct/ Items	Regression Coefficient		Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA
	Unstandardised	Standardised								
HR Department Effectiveness										
EF2	1.00	0.78	N/A		8.397 (0.136)	5	1.679	0.99	0.99	0.041
EF3	1.02	0.78	0.062	***						
EF4	1.07	0.79	0.065	***						
EF5	1.00	0.77	0.063	***						
EF13	1.07	0.84	0.061	***						

Appendix 10

CFA Result of a Full Measurement Model in Study 2



$\chi^2/df = 1.723$, CFI = .98, TLI = .98, RMSEA = .04, SRMR = .034

Appendix 11

Cross-Loadings of All Constructs in Sample 2 of Study 2

Items	HR Department Effectiveness	HR Department Influence	HR Department Involvement	Formal Authority
EF2	0.7938	0.5282	0.5397	0.2117
EF3	0.8284	0.4946	0.5508	0.3005
EF4	0.8547	0.5858	0.6246	0.318
EF5	0.8174	0.6137	0.6274	0.3457
EF6	0.8231	0.5286	0.4873	0.2963
IN1	0.5269	0.809	0.5162	0.1004
IN2	0.5622	0.8685	0.6145	0.1287
IN3	0.6192	0.8509	0.6003	0.3092
IN4	0.5665	0.8644	0.6724	0.2168
IV2	0.496	0.5032	0.7319	0.0532
IV3	0.565	0.6243	0.8407	0.181
IV4	0.5991	0.6006	0.8544	0.1187
IV5	0.5436	0.5789	0.7902	0.2887
IV6	0.5347	0.5799	0.803	0.145
IV7	0.6185	0.5655	0.836	0.1605
PD1	0.3149	0.2162	0.2357	0.7801
PD2	0.2846	0.2495	0.1729	0.7993
PD3	0.2595	0.1679	0.1357	0.8221
PD4	0.2904	0.0972	0.1066	0.7739
PD5	0.2397	0.1114	0.0722	0.7129

Notes: N2 = 155

The analysis followed Gefen and Straub's (2005) approach to assess the cross-loadings of items.

Appendix 12

EFA and Reliability Test Results of Implemented HR Practices in Study 3

Implemented HR practices	Component			
	Training	Appraisals	Job Security	Participation
HRP7	0.82			
HRP6	0.78			
HRP8	0.74			
HRP5	0.73			
HRP4	0.53			
HRP15	0.51			
HRP10		0.83		
HRP9		0.79		
HRP3		0.60		
HRP1		0.58		
HRP12			0.81	
HRP13			0.75	
HRP14			0.74	
HRP20				0.84
HRP21				0.75
HRP19				0.56
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			0.841	
Bartlett's Test of Sphericity				
Approx. Chi-square			1452.305	
df			36	
Significance			< .001	
Cronbach's alpha		0.86	0.79	0.72
				0.69

Appendix 13

EFA and Reliability Test Results of Remaining Scales in Study 3

	Original Scale		Refined Scale	
	Factor loading	Communalities	Factor loading	Communalities
HR Philosophy				
HRO1	0.71	0.50		
HRO2	0.66	0.44		
HRO3	0.85	0.72		
HRO4	0.82	0.67		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.70			
Bartlett's Test of Sphericity				
Approx. Chi-Square	457.619			
df	6			
Sig.	< .001			
% variance extracted	58.14			
Eigenvalue	2.33			
Cronbach's alpha	0.76			
Organisation's Commitment to Employees				
HRO5	0.70	0.50	Eliminated	
HRO6	0.77	0.59	0.77	0.59
HRO7	0.84	0.70	0.85	0.72
HRO8	0.78	0.61	0.79	0.62

	Original Scale		Refined Scale	
HRO9	0.73	0.54	0.75	0.57
HRO10	0.73	0.53	0.74	0.54
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.88		0.85	
Bartlett's Test of Sphericity				
Approx. Chi-Square	894.293		730.729	
df	15		10	
Sig.	<.001		<.001	
% variance extracted	57.57		60.86	
Eigenvalue	3.45		3.04	
Cronbach's alpha	0.85		0.84	
SHRM Orientation				
HRO11	0.72	0.51	0.76	0.58
HRO12	0.74	0.54	0.77	0.59
HRO13	0.74	0.54	0.77	0.59
HRO14	0.80	0.64	0.82	0.68
HRO15	0.75	0.57	0.74	0.55
HRO16	0.66	0.44	Eliminated	
HRO17	0.72	0.51	Eliminated	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.86		0.84	
Bartlett's Test of Sphericity				
Approx. Chi-Square	1052.44		694.035	
df	21		10	
Sig.	<.001		<.001	
% variance extracted	53.56		59.80	
Eigenvalue	3.75		3.00	

	Original Scale		Refined Scale	
Cronbach's alpha	0.86			
HR Department Effectiveness				
EF1	0.62	0.39	Eliminated	
EF2	0.81	0.66	0.83	0.68
EF3	0.83	0.69	0.83	0.69
EF4	0.83	0.68	0.84	0.71
EF5	0.82	0.68	0.82	0.68
EF13	0.86	0.73	0.87	0.75
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.90		0.89	
Bartlett's Test of Sphericity				
Approx. Chi-Square	1220.85		1096.55	
df	15		10	
Sig.	< .001		< .001	
% variance extracted	63.77		70.17	
Eigenvalue	3.83		3.51	
Cronbach's alpha	0.88		0.89	

Appendix 14

Results of Joint Factor Analysis for All Scales in Study 3

	HR Department Effectiveness	Appraisal	HR Philosophy	Job Security	OCE	Participation	SHRM Orientation	Training
EF13	0.87							
EF2	0.82							
EF3	0.84							
EF4	0.84							
EF5	0.82							
HRP1		0.74						
HRP10		0.85						
HRP3		0.70						
HRP9		0.84						
HRO1			0.66					
HRO2			0.60					
HRO3			0.88					
HRO4			0.86					
HRP12				0.748				
HRP13				0.856				
HRP14				0.788				
HRO10					0.73			
HRO6					0.79			
HRO7					0.85			
HRO8					0.78			

	HR Department Effectiveness	Appraisal	HR Philosophy	Job Security	OCE	Participation	SHRM Orientation	Training
HRO9					0.75			
HRP19						0.79		
HRP20						0.79		
HRP21						0.77		
HRO11							0.75	
HRO12							0.76	
HRO13							0.78	
HRO14							0.82	
HRO15							0.74	
HRP15								0.71
HRP4								0.65
HRP5								0.84
HRP6								0.71
HRP7								0.86
HRP8								0.86
KMO and Bartlett's Test								
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.				0.94				
Bartlett's Test of Sphericity				7292.703				
Approx. Chi-square				595				
df				< .001				
Sig.				64.89				
% variance extracted				12.36				
Eigenvalue								

Appendix 15

CFA Results of Individual Scales in Study 3

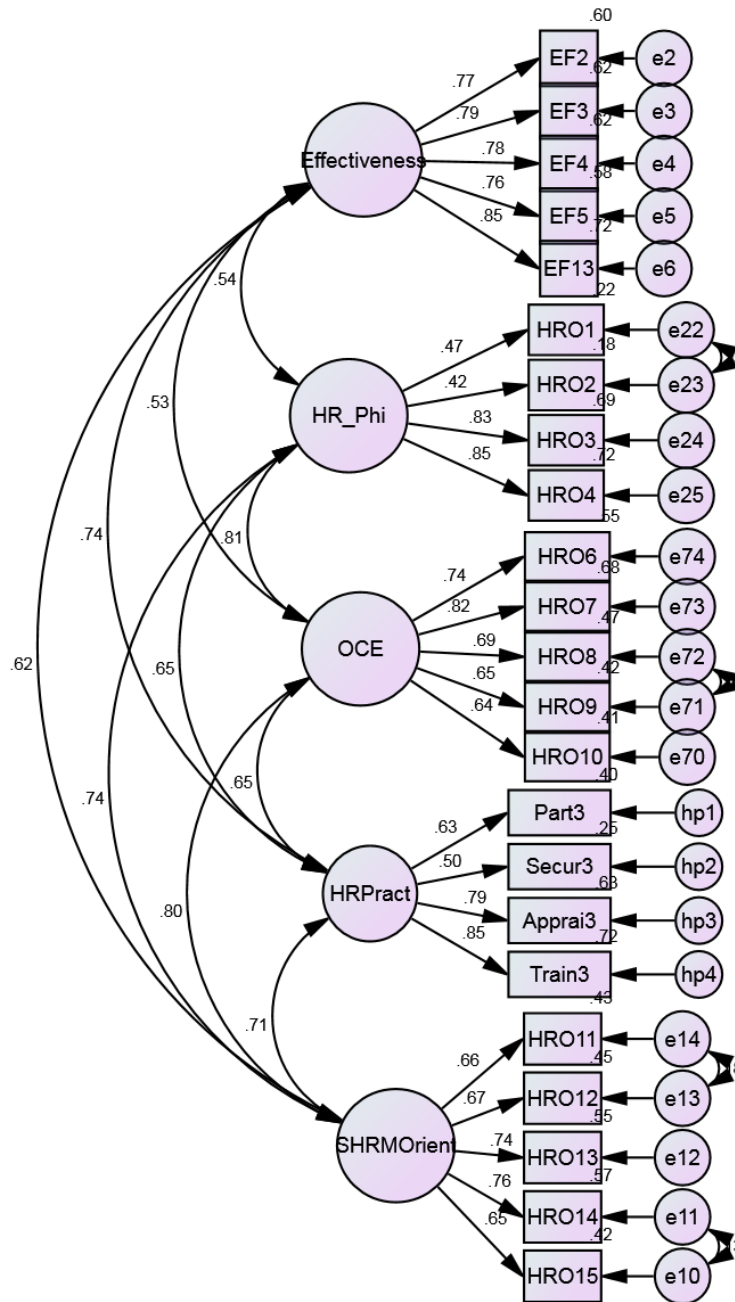
Construct/ Items	Regression Coefficient		Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA
	Unstandardised	Standardised								
HR Philosophy					0.018 (0.893)	1	0.018	1.00	1.01	0.001
HRO1	1.15	0.48	0.152	***						
HRO2	1.00	0.47	N/A							
HRO3	2.03	0.89	0.266	***						
HRO4	1.81	0.79	0.229	***						
OCE					8.234 (0.144)	5	1.647	0.99	0.99	0.040
HRO6	0.73	0.70	0.052	***						
HRO7	1.00	0.83	N/A							
HRO8	0.69	0.72	0.047	***						
HRO9	0.63	0.66	0.048	***						
HRO10	0.69	0.66	0.052	***						
Implemented HR Practices (Second-Order Construct)					267.949 (0)	96	2.791	0.94	0.93	0.067
<i>Participation</i>	0.69	0.85	0.090	***						
HRP19	1.00	0.69	N/A							
HRP20	0.83	0.60	0.087	***						
HRP21	0.83	0.64	0.081	***						

Construct/ Items	Regression Coefficient	Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA		
<i>Job Security</i>	1.00	0.80									
HRP12	1.00	0.82									
HRP13	0.71	0.79	0.040	***							
HRP14	0.75	0.74	0.050	***							
<i>Appraisals</i>	0.61	0.97	0.047	***							
HRP1	1.14	0.72	0.098	***							
HRP3	1.00	0.62	N/A								
HRP9	1.31	0.76	0.109	***							
HRP10	1.15	0.72	0.094	***							
<i>Training</i>	0.64	0.93	0.049	***							
HRP4	1.00	0.62	N/A								
HRP5	1.49	0.85	0.109	***							
HRP6	1.18	0.68	0.102	***							
HRP7	1.44	0.82	0.109	***							
HRP8	1.51	0.86	0.110	***							
HRP15	1.10	0.71	0.088	***							
SHRM Orientation						6.947 (0.139)	4	1.737	0.99	0.99	0.043
HRO11	1.11	0.64	0.092	***							
HRO12	1.00	0.65	N/A								
HRO13	1.81	0.71	0.104	***							
HRO14	1.32	0.81	0.108	***							
HRO15	1.13	0.67	0.104	***							

Construct/ Items	Regression Coefficient	Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA
HR Department Effectiveness				8.397 (0.136)	5	1.679	0.99	0.99	0.041
EF2	1.00	0.78	N/A						
EF3	1.02	0.78	0.062	***					
EF4	1.07	0.79	0.065	***					
EF5	1.00	0.77	0.063	***					
EF13	1.07	0.84	0.061	***					

Appendix 16

CFA Result of a Full Measurement Model in Study 3



$\chi^2/df = 1.697$, CFI = .97, TLI = .96, RMSEA = .04, SRMR = .039

Appendix 17

Cross-Loadings of All Scales in Sample 2 of Study 3

	Appraisal	HR department Effectiveness	HR Philosophy	Job Security	OCE	Participation	SHRM Orientation	Training
EF13	0.5011	0.7891	0.4172	0.3824	0.4283	0.4112	0.4589	0.5074
EF2	0.5075	0.8082	0.4675	0.409	0.4732	0.4033	0.4972	0.5606
EF3	0.4297	0.8213	0.4779	0.3587	0.4007	0.4475	0.4478	0.5196
EF4	0.5605	0.848	0.5134	0.398	0.5122	0.4256	0.5458	0.5396
EF5	0.4871	0.7996	0.528	0.3851	0.526	0.4512	0.5171	0.5405
HRP1	0.7852	0.4685	0.6011	0.5268	0.6378	0.4703	0.6398	0.6473
HRP10	0.7984	0.4368	0.5015	0.4591	0.4885	0.5209	0.5493	0.5697
HRP3	0.7604	0.5241	0.5723	0.486	0.5736	0.4742	0.6042	0.584
HRP9	0.7945	0.4851	0.5228	0.3532	0.4875	0.5211	0.5464	0.5314
HRO1	0.5634	0.4948	0.7942	0.473	0.5614	0.4193	0.5919	0.521
HRO2	0.5303	0.4105	0.7564	0.5315	0.5604	0.4836	0.5169	0.5153

	Appraisal	HR department Effectiveness	HR Philosophy	Job Security	OCE	Participation	SHRM Orientation	Training
HRO3	0.6009	0.4779	0.8383	0.4204	0.6867	0.4285	0.6665	0.5398
HRO4	0.5468	0.5041	0.7961	0.4984	0.6612	0.326	0.5797	0.5238
HRP12	0.4653	0.3268	0.4811	0.8062	0.4084	0.4632	0.3617	0.4954
HRP13	0.5444	0.4892	0.4692	0.8575	0.5223	0.5065	0.4876	0.5951
HRP14	0.417	0.3326	0.5287	0.7851	0.4653	0.4455	0.4834	0.5018
HRO10	0.461	0.4151	0.5723	0.4131	0.7809	0.3638	0.6124	0.5766
HRO6	0.6035	0.4261	0.6622	0.5037	0.8165	0.4265	0.6228	0.6129
HRO7	0.6311	0.5165	0.6811	0.5422	0.837	0.5385	0.6419	0.6073
HRO8	0.475	0.4346	0.5984	0.3418	0.7527	0.4246	0.5484	0.4386
HRO9	0.6244	0.5175	0.6004	0.4799	0.8265	0.5315	0.6379	0.6498
HRP19	0.5381	0.4813	0.4878	0.5104	0.5428	0.7945	0.5824	0.5974
HRP20	0.5002	0.4228	0.3616	0.4257	0.3803	0.8038	0.3504	0.5009
HRP21	0.4579	0.3274	0.3642	0.4289	0.417	0.7933	0.4012	0.4593

	Appraisal	HR department Effectiveness	HR Philosophy	Job Security	OCE	Participation	SHRM Orientation	Training
HRO11	0.7022	0.538	0.662	0.426	0.631	0.4671	0.8084	0.5132
HRO12	0.5725	0.436	0.5856	0.4016	0.6542	0.3967	0.8216	0.5201
HRO13	0.6197	0.4463	0.5969	0.4369	0.6304	0.4784	0.8421	0.5958
HRO14	0.6015	0.5585	0.6231	0.4906	0.6217	0.526	0.8083	0.6636
HRO15	0.5647	0.4994	0.5593	0.4825	0.5916	0.482	0.8133	0.6374
HRP15	0.5077	0.4549	0.4378	0.4073	0.5173	0.4109	0.5556	0.7676
HRP4	0.6366	0.5423	0.6353	0.559	0.6082	0.5856	0.6487	0.7616
HRP5	0.6006	0.5289	0.5283	0.5186	0.5874	0.5691	0.5447	0.8282
HRP6	0.5102	0.4249	0.3763	0.5137	0.4519	0.5048	0.4527	0.7363
HRP7	0.6278	0.5955	0.5665	0.5168	0.6363	0.5037	0.5718	0.8639
HRP8	0.6265	0.535	0.5325	0.5701	0.5929	0.5533	0.6029	0.8603

Notes: N2 = 192

The analysis followed Gefen and Straub's (2005) approach to assess the cross-loadings of items.

Appendix 18

EFA and Reliability Test Results of All Scales in Study 4

		Refined Scale	
		Factor loading	Communalities
Strategic Orientations			
<i>Factor 1</i>			
	OS3	0.55	0.56
	OS5	0.70	0.57
	OS2	0.92	0.85
	Cronbach's alpha	0.64	
<i>Factor 2</i>			
	OS7	0.57	0.62
	OS8	0.79	0.62
	OS9	0.79	0.65
	Cronbach's alpha	0.72	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.78	
Bartlett's Test of Sphericity			
Approx. Chi-Square		796.284	
df		15	
Sig.		< .001	
% variance extracted		64.50	
Eigenvalue		2.93	
HR Role Effectiveness			
<i>Factor 1</i>			
	E50	0.74	0.73
	E56	0.72	0.67
	E51	0.69	0.70
	E55	0.68	0.62
	E49	0.65	0.57
	E57	0.64	0.64
	E54	0.62	0.62
	E52	0.61	0.51
	E53	0.58	0.61
	Cronbach's alpha	0.92	
<i>Factor 2</i>			
	E28	0.78	0.75
	E30	0.75	0.76
	E34	0.73	0.69
	E29	0.70	0.70
	E33	0.68	0.68
	E32	0.67	0.70
	E27	0.56	0.57
	E31	0.51	0.66
	Cronbach's alpha	0.92	

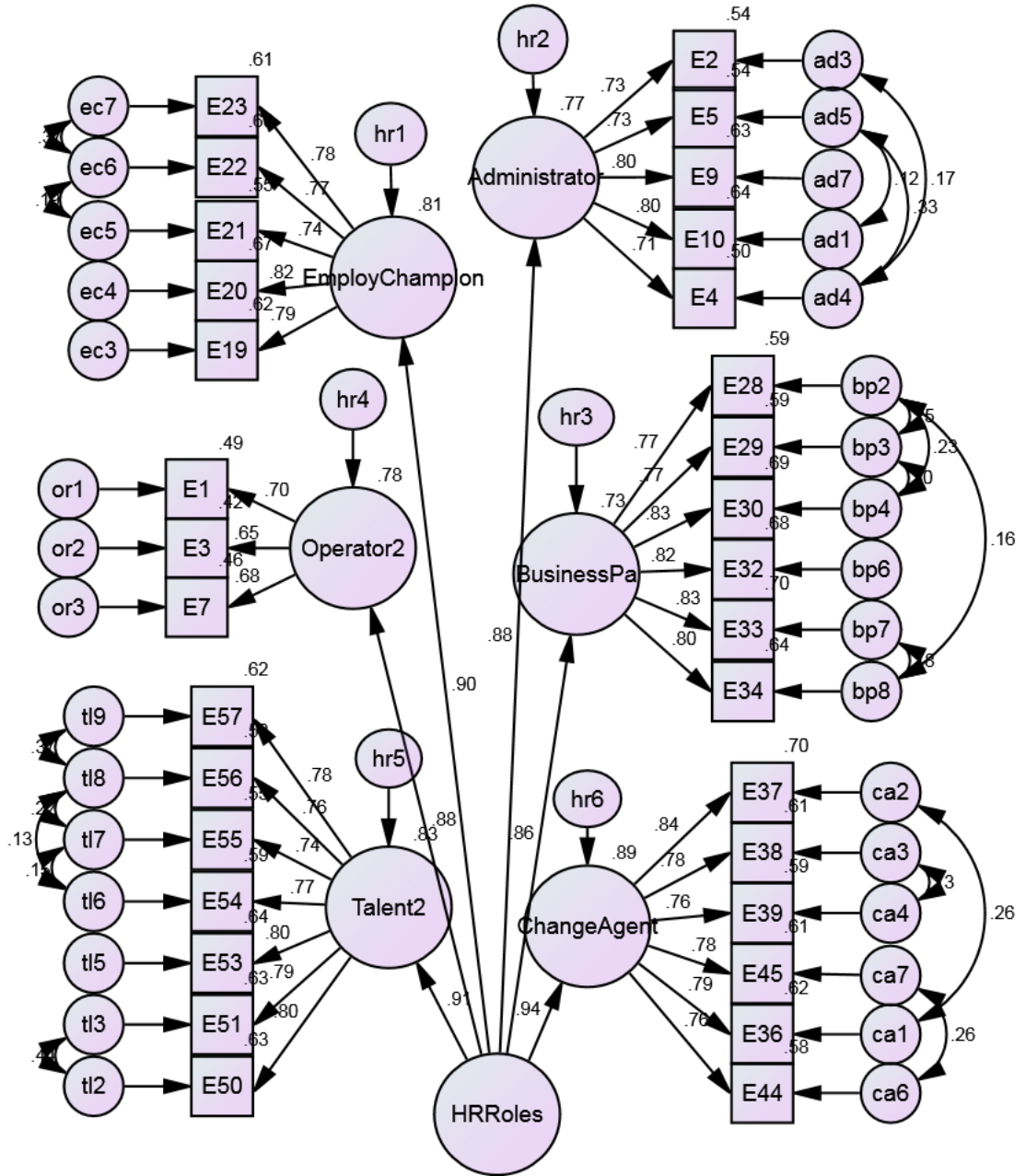
		Refined Scale	
Factor 3			
	E17	0.72	0.66
	E20	0.70	0.71
	E22	0.68	0.68
	E18	0.66	0.61
	E23	0.65	0.65
	E21	0.62	0.65
	E19	0.53	0.60
Cronbach's alpha		0.90	
Factor 4			
	E38	0.67	0.66
	E36	0.63	0.64
	E37	0.63	0.65
	E44	0.63	0.63
	E39	0.62	0.61
	E45	0.59	0.62
Cronbach's alpha		0.89	
Factor 5			
	E5	0.75	0.72
	E4	0.73	0.69
	E10	0.66	0.66
	E2	0.61	0.61
	E9	0.52	0.60
Cronbach's alpha		0.86	
Factor 6			
	E3	0.67	0.59
	E7	0.63	0.61
	E1	0.54	0.54
Cronbach's alpha		0.68	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.967	
Bartlett's Test of Sphericity			
Approx. Chi-Square		12647.33	
df		741	
Sig.		< .001	
% variance extracted		59.80	
Eigenvalue		3.00	
HR Department Involvement			
	INV2	0.83	0.68
	INV3	0.88	0.77
	INV4	0.87	0.76
	INV5	0.86	0.74
	INV6	0.89	0.79
	INV7	0.88	0.77
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.90	

	Refined Scale	
Bartlett's Test of Sphericity		
Approx. Chi-Square	2318.346	
df	15	
Sig.	< .001	
% variance extracted	75.17	
Eigenvalue	4.51	
Cronbach's alpha	0.93	
HR Department Influence		
IN1	0.88	0.77
IN2	0.89	0.79
IN3	0.86	0.74
IN4	0.91	0.82
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.84	
Bartlett's Test of Sphericity		
Approx. Chi-Square	1251.015	
df	6	
Sig.	< .001	
% variance extracted	78.05	
Eigenvalue	3.12	
Cronbach's alpha	0.91	
Organisational Performance		
OP2	0.84	0.51
OP3	0.82	0.62
OP4	0.78	0.67
OP5	0.78	0.61
OP6	0.78	0.70
OP7	0.72	0.60
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.86	
Bartlett's Test of Sphericity		
Approx. Chi-Square	1364.307	
df	15	
Sig.	< .001	
% variance extracted	61.78	
Eigenvalue	3.71	
Cronbach's alpha	0.88	
Core Competence		
CC1	0.80	0.65
CC2	0.84	0.71
CC3	0.78	0.61
CC4	0.82	0.68
CC6	0.69	0.47
CC7	0.70	0.49
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.86	
Bartlett's Test of Sphericity		
Approx. Chi-Square	1338.086	

	Refined Scale	
df	15	
Sig.	< .001	
% variance extracted	60.22	
Eigenvalue	3.61	
Cronbach's alpha	0.87	
HR Department Effectiveness		
EF1	Eliminated	
EF2	0.84	0.70
EF3	0.86	0.73
EF4	0.88	0.77
EF5	0.88	0.77
EF13	0.89	0.78
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.89	
Bartlett's Test of Sphericity		
Approx. Chi-Square	1645.60	
df	10	
Sig.	< .001	
% variance extracted	74.94	
Eigenvalue	3.74	
Cronbach's alpha	0.82	

Appendix 19

CFA Result of a Second-Order Construct as HR Roles in Study 4



$\chi^2/df = 1.898$, CFI = .96, TLI = .96, RMSEA = .04, SRMR = .068

Appendix 20

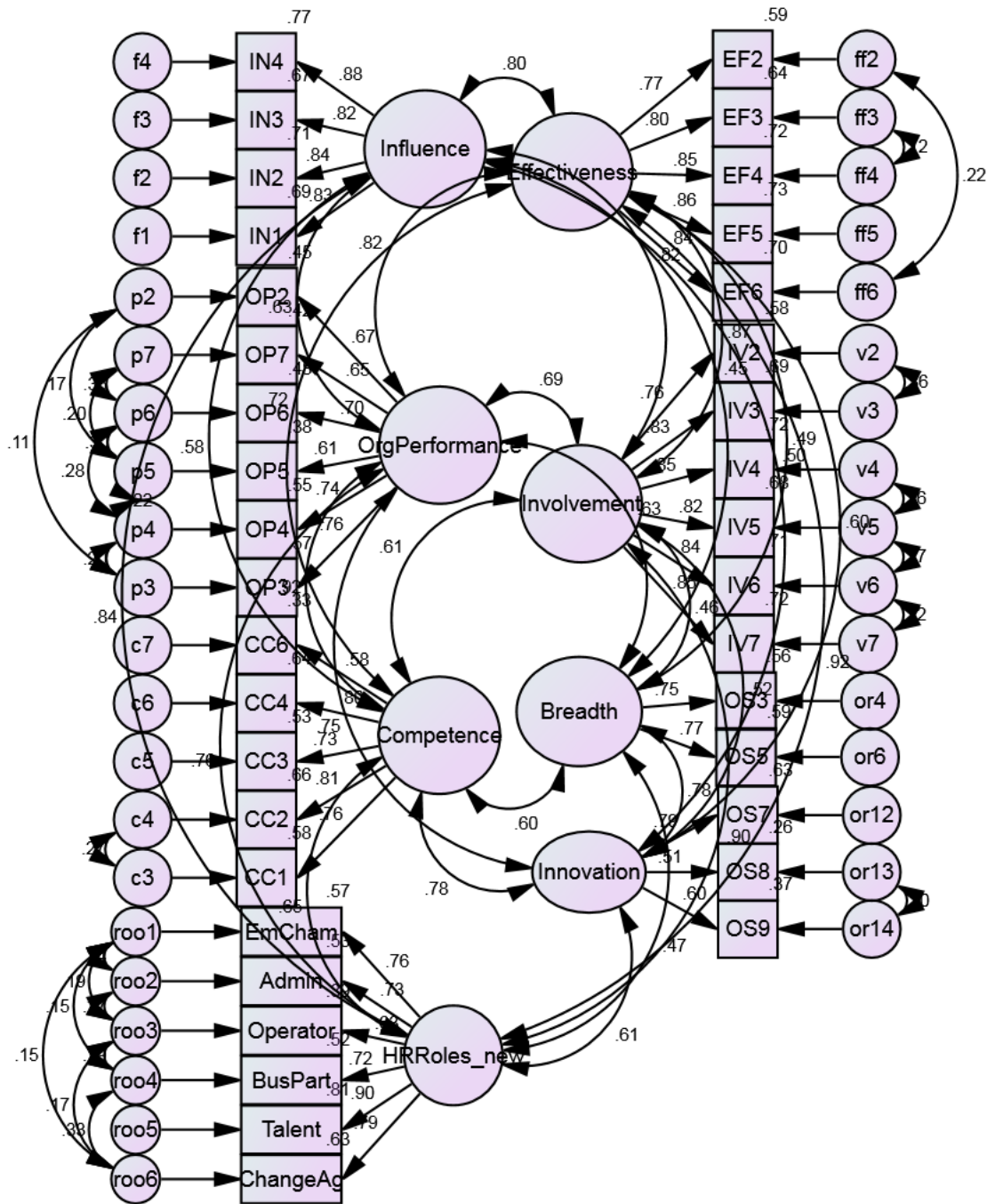
CFA Results of Individual Remaining Scales in Study 4

Construct/ Items	Regression Coefficient		Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA
	Unstandardised	Standardised								
Strategic Orientations					8.014 (0.046)	3	2.671	0.99	0.98	0.059
<i>Breadth Strategy</i>										
OS3	1.00	0.72	N/A							
OS5	1.12	0.79	0.095	***						
<i>Innovation Strategy</i>										
OS7	1.32	0.71	0.144	***						
OS8	1.00	0.57	N/A							
OS9	1.24	0.68	0.112	***						
HR Department Involvement					4.076 (0.396)	4	1.019	1.00	1.00	0.006
INV2	0.79	0.73	0.041	***						
INV3	0.87	0.80	0.038	***						
INV4	0.86	0.77	0.042	***						
INV5	0.93	0.83	0.38	***						
INV6	1.00	0.90	N/A							
INV7	0.91	0.87	0.034	***						
HR Department Influence					0.555 (0.456)	1	0.555	1.00	1.00	0.001
INF1	1.00	0.81	N/A							
INF2	1.07	0.88	0.054	***						
INF3	0.96	0.79	0.048	***						

Construct/ Items	Regression Coefficient		Standard Error	<i>p</i>	CMIN (<i>p</i>)	DF	CMIN/DF	CFI	TLI	RMSEA
INF4	1.08	0.92	0.051	***						
Core Competence					10.010 (0.188)	7	1.430	0.99	0.99	0.030
CC1	1.03	0.74	0.065	***						
CC2	1.05	0.80	0.060	***						
CC3	0.92	0.75	0.054	***						
CC4	1.00	0.82	N/A							
CC6	0.66	0.55	0.056	***						
CC7	0.78	0.58	0.063	***						
Organisational Performance					6.745 (0.240)	5	1.349	0.99	0.99	0.027
OP3	0.90	0.66	0.070	***						
OP4	1.07	0.73	0.065	***						
OP5	0.92	0.77	0.062	***						
OP6	1.00	0.77	N/A							
OP7	0.83	0.70	0.050	***						
OP2	0.81	0.63	0.065	***						
HR Department Effectiveness					4.818 (0.186)	3	1.606	0.99	0.99	0.035
EF2	0.89	0.73	0.042	***						
EF3	1.03	0.81	0.050	***						
EF4	1.15	0.86	0.052	***						
EF5	1.10	0.86	0.049	***						
EF6	1.00	0.83	N/A							

Appendix 21

CFA Result of a Full Measurement Model in Study 4



$\chi^2/df = 1.837$, CFI = .96, TLI = .96, RMSEA = .04, SRMR = .034

Appendix 22

Testing for Common Method Variance in Study 3 – Common Latent Factor

			Standard Factor Loading			
			With CLF	Without CLF	Difference	Factor Loadings CLF**
EF2	<---	HR Dept Effectiveness	0.773	0.771	0.002	0.074
EF3	<---	HR Dept Effectiveness	0.785	0.789	-0.004	0.146
EF4	<---	HR Dept Effectiveness	0.783	0.785	-0.002	0.11
EF5	<---	HR Dept Effectiveness	0.755	0.759	-0.004	0.15
EF13	<---	HR Dept Effectiveness	0.85	0.852	-0.002	0.106
HRO6	<---	OCE	0.746	0.744	0.002	0.116
HRO7	<---	OCE	0.817	0.82	-0.003	0.143
HRO8	<---	OCE	0.692	0.687	0.005	0.078
HRO9	<---	OCE	0.651	0.647	0.004	0.078
HRO10	<---	OCE	0.653	0.645	0.008	0.013
HRP1	<---	Appraisal	0.68	0.675	0.005	0.069
HRP3	<---	Appraisal	0.576	0.576	0	0.166
HRP9	<---	Appraisal	0.695	0.694	0.001	0.109
HRP10	<---	Appraisal	0.653	0.651	0.002	0.112
HRP4	<---	Training	0.598	0.597	0.001	0.147
HRP5	<---	Training	0.712	0.713	-0.001	0.145
HRP6	<---	Training	0.525	0.523	0.002	0.137
HRP7	<---	Training	0.701	0.701	0	0.133
HRP8	<---	Training	0.735	0.734	0.001	0.119
HRP15	<---	Training	0.702	0.699	0.003	0.106
HRP12	<---	Security	0.615	0.623	-0.008	0.204
HRP13	<---	Security	0.748	0.747	0.001	0.091
HRP14	<---	Security	0.659	0.663	-0.004	0.117
HRP19	<---	Participation	0.667	0.664	0.003	0.072
HRP20	<---	Participation	0.56	0.558	0.002	0.088
HRP21	<---	Participation	0.573	0.574	-0.001	0.175
HRO1	<---	HR philosophy	0.476	0.471	0.005	0.127
HRO2	<---	HR philosophy	0.426	0.42	0.006	0.163
HRO3	<---	HR philosophy	0.827	0.829	-0.002	0.128
HRO4	<---	HR philosophy	0.847	0.849	-0.002	0.118
HRO11	<---	SHRM Orientation	0.646	0.659	-0.013	0.33
HRO12	<---	SHRM Orientation	0.669	0.666	0.003	0.211
HRO13	<---	SHRM Orientation	0.753	0.742	0.011	0.076
HRO14	<---	SHRM Orientation	0.752	0.754	-0.002	0.191
HRO15	<---	SHRM Orientation	0.649	0.645	0.004	0.159

Note: CLF: Common latent factor; **: The standardised regression weight of the path between the CLF and the corresponding indicator

An Example of Participant Information Sheet

Participant Information Sheet



Date Information Sheet Produced:

24 March 2014

Project Title

Roles, Status and Influence of Human Resource Management Functions in Vietnamese Organisations.

An Invitation

Dear participants,

My name is Diep Nguyen, a PhD student from Auckland University of Technology, New Zealand. I am undertaking my PhD study under the supervision of Professor Stephen Teo, Faculty of Business and Law, Auckland University of Technology.

You are invited to participate in this study because you have knowledge and working experience in a Vietnamese organisation. In addition, you are knowledgeable of Human Resource Management functions in your organisation.

In the pilot study, you will be asked to correct the translation and validate questionnaire items which are appropriate for Vietnamese organisations.

Your participation is entirely voluntary: you are not obliged to be involved and – if you do participate – you can withdraw your participation without giving any reason and without any consequences.

What is the purpose of this research?

The purpose of this research is to investigate the roles, status, and influence of human resource management functions in Vietnamese organisations. The study will provide you with an opportunity to re-evaluate and acknowledge the roles and status of human resource management functions in the strategic management process in your organisation. The study and its findings will form the basis for a complete doctoral thesis, conference paper (e.g., ANZAM), a research paper and other academic publications (journals relating to human resource management) and presentations.

How was I identified and why am I being invited to participate in this research?

You are participating in this study because you have responded to the advertisement of my doctoral study on *HRLink.vn*. You are invited because you have knowledge and experience in your current work. As you hold a professional role in your organisation (i.e. line manager or HR manager), you have a comprehensive understanding of the performance of the HR department from a strategic perspective. I would like to examine your perceptions and evaluation of the translation and the questionnaire items. Your responses will help me to identify final questionnaire items as well as to correct my translation from English to Vietnamese.

Your participation is entirely voluntary. My study focuses on the perceptions of line managers of the roles, status, and influence of the HR department in the strategic management process. Therefore, if you do not hold a management role in your organisation, please ignore my invitation.

What will happen in this research?

If you agree to participate, you will attend a one-hour interview. The interview will take place at a public location which is convenient for you. At the interview, you will be asked to read and sign a consent form before we start the interview. With your permission, the interview will be recorded. Notes will also be taken.

The interview will focus on your evaluation of the translation and validation of questionnaire items. The interview questions will ask you to compare and contrast the English and Vietnamese questionnaires. You will also be invited to review the transcript for accuracy after the interview. All the document and correspondence will be available in Vietnamese and English. Around 14 interviews are being undertaken for the study. Should you feel at any point that you do not wish to continue participating, you are free to stop the interview.

What are the discomforts and risks?

The interview will take place at a public location. The discomforts and risks will be minimal because I will not ask any questions that relate to personal issues, internal conflicts, or any harmful matters in your current work in the organisation. Please be assured that your responses will be entirely confidential and for study purposes only; the data collected from you will be kept safely and will not be given to any other party. Furthermore, you can be assured of complete anonymity. All aspects of the study, including results, will be confidential and only researchers will have access to information on participants. You are not obliged to complete the interview and you have the right to terminate your participation during the interview or up to the end of data collection.

How will these discomforts and risks be alleviated?

There are no discomforts and risks in the pilot study as your participation is voluntary. You are free to stop the interview and withdraw your participation in the pilot study without giving any reason and without any consequences.

What are the benefits?

The current research is my doctoral thesis. The study will provide a framework of the roles, status, and influence of Human Resource Management functions in Vietnamese organisations. In line with research on human resource management in general, the present study will contribute to an understanding of the effectiveness of human resource management functions in Vietnamese organisations. The wider community will learn how HR departments add value to organisations in a developing economy, via the research articles published in top tier journals.

Your responses to the interview are part of the data collection process in my doctoral thesis. Your responses will help me to develop appropriate questionnaire items that will be used to measure how HR departments contribute to organisations based on perceptions of line managers in Vietnamese organisations.

How will my privacy be protected?

This is a confidential interview. Your responses will be kept for the purposes of data collection in the main study. Once the research project is completed, all information will be stored and kept by my primary supervisor, Professor Stephen Teo, in the AUT University premises. Only the researcher will have access to the data. All data will be destroyed after six years. No individual identification will be used in any outputs of the study.

What are the costs of participating in this research?

There will be no cost for you to participate in this research except time. The interview will take approximately an hour to complete.

What opportunity do I have to consider this invitation?

You will be given a week to review this participant information sheet. If you would like further information to clarify any issues, you can contact Prof. Stephen Teo using his details below. Agreeing to participate does not remove your right to withdraw from the interview up to the end of data collection.

How do I agree to participate in this research?

Once you have reviewed the participant information sheet over the week, please send me an email if you agree to participate in the interview. The interview will be scheduled at an appropriate time and at a public location which is convenient for you. Before the interview, I will give you the consent form. You will be asked to read it carefully before you sign it.

Will I receive feedback on the results of this research?

Please note that data will be used in aggregated form only – no individual organisations or employee participants will be identified in any output of this research. A copy of the transcript of the interview will be sent to you after the interview via email in order to confirm the interpretation.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Stephen Teo, Professor at AUT, *stephen.teo@aut.ac.nz*, (64) 9 921-9999 ext 5433.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, *ethics@aut.ac.nz*, (64) 9 921 9999 ext 6038.

Whom do I contact for further information about this research?

Researcher Contact Details:

Thi Ngoc Diep Nguyen, *diep.nguyen@aut.ac.nz* or (64) 9 921-9999 ext 6372.

Project Supervisor Contact Details:

Prof. Stephen Teo, *stephen.teo@aut.ac.nz* or (64) 9 921-9999 ext 5433.

**Approved by the Auckland University of Technology Ethics Committee on 24
March 2014, AUTEK Reference number 14/42**

Appendix 24

An Example of Consent Form



Consent Form

For use when interviews are involved.

Project title: Roles, status, and influence of Human Resource Management function in Vietnamese organisations

Project Supervisor: Professor Stephen Teo

Researcher: Thi Ngoc Diep Nguyen

- 7 consent form questions with radio button options regarding understanding of research, withdrawal rights, and agreement to participate.

Participant's signature:.....

Participant's name:.....

Participant's Contact Details (if appropriate):.....

Date: 22 April 2014

Approved by the Auckland University of Technology Ethics Committee on 24 March 2014 AUTEK Reference number 14/42

Note: The Participant should retain a copy of this form.