

Transcending the Cultural Border: Revisiting Perlmutter and the Impact of Philosophy on the Talent Management of US Subsidiaries in China

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Abstract

This article explores the phenomenon of transcending the cultural border of the multinational cooperation in the industry of talent management. It does so by revisiting the longstanding contribution of Perlmutter's EPRG model of the four ways the HQ of a multinational should manage its workforce in the country of the subsidiary as the basis of exploration. The focus of study is the influence of philosophy, as influenced by national heritage, which has been under-researched within the context of multinational firms. Specifically, an international talent management firm – GlobalHR (a pseudonym) – headquartered in the US that is having to withdraw its employees from China is used to explore how Confucianism, Taoism and Legalism are relevant within the decision-making process. First-hand interviews were conducted with a cross-section of 28 members of staff at the Chinese subsidiary, where decision-making is undertaken. Rich insights on how philosophy apply to the working context are sought and form the novel empirical contributions. The research conceptually argues that a strong influence of local philosophical dominance through the 'localised empowerment approach' adopted, which grants higher autonomy while preserving HQ brand, is the outcome of compromising between management constraints and values.

Keywords: cultural management, philosophy, talent management, multinational management

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Introduction

The study of multinational corporations has long recognised the difficulties of differing cultures between the countries of the parent and subsidiary offices in which they operate. With this in mind, one of the most fundamental questions is how to manage the staff of the subsidiary firm which is owned and directed by the parent company but is subject to local conditions of the subsidiary company. Perlmutter's model (1969), subsequently revised, offers a suggestion of four possibilities for how to orientate talent at the subsidiary, but this is a dated view from times of less complex organisational forms and international trading conditions. This article revisits the relevance of Perlmutter's contribution today. While Perlmutter's views are premised on the extendibility of knowledge, it ignores the role of the dominant national philosophies at play in addressing the gulf. Thus, this article explores how the cultural borders may be transcended and the role played by philosophy in facilitating this border crossing.

The idea of philosophy playing an influencing role in decision-making is not entirely original, but is certainly emerging in the context of modern day corporate life. Philosophy, like religion, has dominated mankind for many millennia, but reports of corporations explicitly working around philosophy (eg. Economist, 2014; Guardian, 2018; Financial Times, 2024) has brought the more modern and organisational interpretation of 'philosophy' back into resurgence. The cultural environment in China is deeply shaped by traditional philosophies that influence both social values and business practices. A pertinent example is the socialist core values introduced by the 18th National Congress of the Communist Party of China (CPC) in 2012. These values—comprising wealth, strength, democracy, civilization, and harmony at the national level; freedom, equality, justice, and the rule of law at the societal level; and patriotism, dedication, honesty, and integrity at the individual level—reflect the integration of principles originating from the May Fourth Movement and traditional Confucian values (Miao, 2020).

The complex environment of modern business, characterised by rapidly evolving market dynamics, regional disparities, and governmental interventions, necessitates a thorough examination of the impact of long-standing Chinese philosophical tenets, particularly Confucianism, Taoism, and Legalism. Research by Wang et al. (2024), Tian et al. (2021), and Tsai and Tsai (2021) highlights the significant influence of these philosophical foundations on business management methodologies. However, the specific ways in which these influences manifest in the operations of MNCs and the strategies MNCs can employ to align their domestic practices with the cultural nuances of host countries remain rich areas for scholarly exploration. The purpose of the present research does just that!

Talent management in China

The emergence of China's human resource services (HRS) industry is a relatively recent phenomenon, coinciding with the country's economic reforms and opening-up policy. Prior to these reforms, China's planned economy dictated labour allocation through centralized state management. The concept of individual job-seeking only materialized post-reform (Warner, 2009), resulting in widespread unfamiliarity with free labour market dynamics and competitive employment practices among the Chinese populace. The legacy of the planned economy initially hindered many Chinese job seekers from accurately gauging their market value, with some expressing discomfort towards proactive job-seeking (Cooke, 2012). This reluctance can be partially attributed to the collectivist ethos embedded in traditional Chinese culture, which discourages individuals from overtly emphasizing personal capabilities and accomplishments (Zhang and Zhou, 2020).

The trajectory of China's HRS industry reflects a significant transition from a centrally planned economy to a market-driven model, with the government's role evolving from regulator to facilitator. Since China's 1979 economic reforms, the HRS sector has experienced rapid growth, serving as a crucial intermediary between enterprises and talent, and mirroring the nation's economic vitality and labour market dynamics (Ministry of Human Resources and Social Security, 2020). Despite its rapid growth, China's HRS industry faces significant challenges. Frequent regulatory changes, exemplified by revisions to the Labor Contract Law, necessitate continuous adaptation of business models and service offerings by HRS companies (Cooke, 2012). Moreover, the rapid growth and specialization of local HRS firms have intensified market competition, potentially eroding the advantages previously held by multinational HRS companies in the Chinese market (Liu et al., 2017).

The business share of Beijing HR, Career International, and ManpowerGroup China can be classified into two primary groups: back-office support functions and front-end business functions. Back-office support functions encompass business outsourcing, human resource management, and payroll services like those offered by Beijing HR, CIIC, and FESCO. These services focus on streamlining business operations, cost reduction, and ensuring compliance and efficiency. State-Owned Enterprises (SOEs) excel in HR management and business outsourcing due to their close ties with the government, which provides them an edge in navigating intricate labour regulations and social security issues (Warner, 2014). These services encompass various legal domains such as labour law, social insurance law, tax law, and contract law (Cooke, 2012). For instance, social insurance payment regulations and procedures differ significantly across Chinese regions, necessitating service providers to possess precise knowledge of local policies. SOEs leverage their government connections to dominate in sectors requiring profound understanding of local labour laws and social security systems (Li and Sheldon, 2010), potentially creating competitive advantages. Furthermore, SOEs are perceived as stable and reliable partners, especially in handling sensitive personal data and payroll information, leading businesses to prefer their services. Moreover, SOEs typically receive more policy and resource backing, including priority involvement in government and large-scale projects.

Front-end business activities, predominantly encompassing recruitment and flexible employment services, such as Career International and ManpowerGroup Greater China, are essential components focusing directly on the employment requirements of enterprises. These services entail interaction with middle and senior management of various enterprises as well as job candidates. The success of such services heavily relies on the professional aptitude of the staff, namely in communication, negotiation, market acumen, and fostering a broad network of interpersonal connections. MNCs exhibit strengths in practitioner standardization, as MHRS typically emphasize enhancing service quality through standardized management practices, thereby augmenting satisfaction levels and trust among current and prospective clients, ultimately leading to brand enhancement. For instance, ManpowerGroup underwent ISO 9000 certification across all branches in 1991 (China Economic Baihui Research Centre, 2024). Private enterprises are characterised by their market-oriented nature and agility in responding to market fluctuations. This adaptability serves as a critical advantage in recruitment and flexible employment services, enabling swift adjustments to evolving corporate employment demands (Cooke, 2012). Simultaneously, multinational corporations and large private enterprises tend to allocate substantial resources to technological advancements. Leveraging advanced artificial intelligence and big data technologies in recruitment significantly enhances talent matching efficiency and accuracy, granting them a competitive edge in the upscale recruitment sector (Liu et al., 2017).

Thus, the distinctive features of the Chinese HRS market underscore the significance of understanding the local landscape when operating within China. This understanding extends beyond

business structure to encompass knowledge of laws, regulations, government relations, and market dynamics – such as philosophy!

Chinese philosophies

Chinese philosophy is a system of thought deeply rooted in the Chinese cultural tradition, with a history dating back about 2,500 years. While there is evidence to suggest that Chinese culture may be changing (see Chau et al., 2024), its roots are in the philosophical schools that influence each other and have their own characteristics, including Confucianism, Taoism, Legalism, Mohism and Mingjia (school of names) (Feng, 1948). A summary of these are shown in Table 1.

[Insert Table 1 about here]

Research in Confucianism has been widely conducted in all aspects of corporate management, such as corporate strategy (Wang et al, 2024), corporate performance (Tian et al, 2021; Tsai and Tsai, 2021; Subramanian et al., 2019), and the impact of Confucian philosophy on shaping ethical leadership and corporate customer relationships (Yang et al. 2020; Lau et al., 2021; Chou and Cheng, 2020). These studies generally show a close correlation between traditional philosophy and corporate operating variables, suggesting that Confucian philosophy may have a positive impact on business operations. However, these studies have some methodological limitations. These surveys do not take into account the subjective factors that philosophical thinking mainly affects personal values, beliefs, cultural habits, etc., which are difficult to accurately measure with quantitative indicators. For example, in a recent study, Wang et al. (2024) assumed a direct proportional relationship between the popularity of Confucian values in a region and the density of Confucius temples as a proxy variable for the influence of Confucian culture. This approach may oversimplify the richness and multidimensionality of culture, leading to a superficial understanding of cultural influence.

Taoism and Legalism are comparatively understudied. There are historical reasons for the excessive focus on Confucianism. In Chinese history, the rise of many ideological systems is inseparable from the support of rulers. For example, in the pre-Qin period before the unification of China in 221 BC, Qin Shihuang achieved the unification of the empire through Legalist thought, emphasized "ruling the country by law", carried out strict rule, and established a centralized legal system, whereas subsequent emperors operating within an imperial system were frequently guided by Confucian and Legalist principles (Fu, 2018). However, this short-lived prosperity ended with the demise of the Qin Dynasty. After Confucianism was established as the state orthodoxy during the reign of Emperor Wu of Han (2nd century BC), it continued to strengthen its influence in all social classes through the imperial examination system. The Four Books and Five Classics, as the classics of Confucianism, were the core materials for the imperial examination. The imperial examination system lasted for about 1,300 years (since the Song Dynasty, about 960-1276) (Chen, Kung and Ma, 2020), which shows how great its influence was. Taoist philosophy was not established as a state ideology but instead focused more on personal and spiritual cultivation. Duan (2023) argued that in the wider cultural community, Taoism can be likened with Confucianism.

Although Confucianism has dominated research, in recent years scholars have begun to recognise the importance of Taoist and Legalist thought in management practice. Ma and Tsui's (2015) review highlights three leadership models reflected in traditional Chinese philosophy: Confucianism emphasises hierarchical relationships and moral leadership (Yang et al., 2020; Zheng, Wang and Li, 2011), Taoism advocates a more flexible and adaptable leadership style (Li et al., 2020; Qi, 2022), and Legalism focuses on strict laws and regulations, which is reflected in authoritarian leadership with reward and punishment systems, centralization and absolute control (Chen et al., 2018). Despite the theoretical differences between these three philosophical thoughts, Zhang, Liu and Du (2021) pointed out that authoritarian leadership is still prevalent in Chinese companies. Recent research further supports the support of cultural and philosophical micro-foundations for Chinese leadership, and Xing et al (2023) emphasise the importance of considering cultural context when understanding Chinese leadership. They pointed out that the integration of traditional Chinese philosophy and Western leadership theory can be used to develop a more nuanced understanding of Chinese leadership.

Thus, the extant literature has dominated Chinese local enterprises, and research on MNCs (MNCs) in China is relatively scarce. Although the study by Lin et al (2018) explored the impact of traditional Chinese philosophical systems (such as Legalism, Taoism, and Confucianism) on management practices, its research subjects were limited to 30 Chinese managers working in the Netherlands. This specific geographical and cultural background severely limits the general applicability of the research conclusions. Considering the unique characteristics of foreign-funded enterprises in China, it may not be appropriate to use Dutch companies as a benchmark.

Multinational Corporations (MNCs) and the problem of talent management

MNCs, as defined by Dunning and Lundan (2008), are enterprises that make foreign direct investment (FDI) in multiple countries and own or control operations. To manage staff across these different operations, Perlmutter's (1969) original EPG model, divides overseas business strategies into three categories: Ethnocentric, Polycentric, and Geocentric. Subsequently, Wind et al. (1973) added a regionalization (Regiocentric) orientation to form the present EPRG model:

- **Ethnocentric:** This orientation considers the methods and standards of the home country to be optimal, and tends to apply these standards universally to international operations. Top management is mainly made up of individuals from the home country and may be sceptical of the host country's management practices.
- **Polycentric (Nationally Centred):** This mindset recognises and respects the cultural diversity of countries. It gives the subsidiary greater autonomy, emphasizing adaptation to the host country's market and cultural nuances.
- **Regiocentric:** This orientation seeks standardization and integration within a specific geographical area, trying to strike a balance between a country-centric and global attitude.
- **Geocentric:** Companies that adopt this perspective look beyond borders to optimise resource allocation on a global scale. They do not have any single country as the centre of decision-making, but respond to the needs and opportunities of the global market.

The EPRG model provides a systematic framework for multinational management research. Early studies focused on verifying the validity of the model and exploring its application in different

contexts. For example, Shoham et al. (1995) revealed how psychic distance affects a company's export motivation and the application of the EPRG framework. They found that companies with greater perceived psychic distance tended to adopt a geocentric orientation, while companies with less perceived psychic distance tended to adopt a home-centred or multinational orientation. Nearly two decades later, Drachal (2014) used General Electric as a case study and paid special attention to the company's evolution from ethnocentrism to geocentric orientation. He also pointed out the lack of research on the practical application of other orientations (especially home-centred and multinational-centred). These two studies provide new application perspectives and empirical research for understanding the theoretical basis of the EPRG model but also expose the model's shortcomings in explaining corporate behaviour in an international environment, such as its static and overly simplified characteristics, and its shortcomings in explaining the behaviour of MNCs in emerging markets. The nearly 20-year time interval between the two studies reflects the slow progress of EPRG model research during this period.

According to Froese et al. (2019), foreign-invested enterprises operating in China often encounter management, cultural and regulatory problems. These challenges highlight the limitations of traditional theoretical models in explaining complex market environments. Entering the 21st century, scholars have also begun to try to expand the scope of application of the EPRG model. Szabó (2019) used the EPRG model to identify the success of internal project strategies of companies, showing that the success of internal projects is closely related to the degree of alignment of the company's EPRG strategic orientation. Vogelsang and Pilz (2021) used the EPRG model to analyse the training activities of German MNCs in subsidiaries in China, India and Mexico, and found that in China and India, companies are more inclined to adopt a polycentric orientation and adjust training strategies to meet local market needs. These two studies demonstrate the practical application of the EPRG model from the perspective of the company's training strategy and project management. In recent years, scholars have tried to combine the EPRG model with other theoretical frameworks to enhance its explanatory power. Among them, Schühly (2022) used the EPRG model and Hofstede and other theories to analyse how cultural differences affect the strategic management of MNCs. He pointed out that strategic management frameworks tend to be ethnocentric, mainly reflecting Western (especially American) management practices, while ignoring the important role of cultural sensitivity. However, although Schühly's research has advanced the application of the EPRG model, it still has limitations. Especially when explaining emerging markets with cultural traditions and institutional environments such as China. The EPRG model also faces some challenges and criticisms. Diab's (2022) research reveals a key issue: MNCs actually often adopt a mixed management approach, and the effectiveness of different orientations varies depending on the environment. This finding directly challenges the static nature of the EPRG model and emphasises the need for a more dynamic and contextual theoretical framework to understand the management practices of modern MNCs. This need for dynamism and context echoes the views of Hofstede (2010). Hofstede pointed out that the country-centric approach is losing support because it often proves to be ineffective or counterproductive in the face of complex challenges such as cultural differences, institutional distance and geographical dispersion (Ghemawat, 2007). It is precisely based on the limitations and unresolved issues of these existing studies that the EPRG model may have limitations in explaining the perspectives of MNCs in China, which is also the direction this study hopes to explore.

Cultural comparisons

Hofstede's cultural dimension framework comprises six dimensions: power distance, individualism and collectivism, masculinity and femininity, uncertainty avoidance, long-term orientation and short-term orientation, and indulgence and restraint (Hofstede, 2010). This theory has become the main

analytical tool for cross-cultural management research due to its comprehensiveness, influence and wide application in management research. Wang et al. (2023), Beugelsdijk et al. (2015) and Teng et al. (2024) confirmed the enduring importance of cultural dimensions in explaining differences in organizational behaviour from multiple levels such as corporate performance, individual behaviour and corporate governance through large-scale meta-analysis and longitudinal research. However, these studies also reveal the dynamic nature of cultural dimensions, challenging the traditional view that culture is static and unchanging. Studies by Beugelsdijk et al. (2015) and Chun et al. (2021) found that cultural dimension scores have changed significantly over time, questioning whether these cultural dimension scores developed in the late 1960s and early 1970s can still accurately reflect the cultural characteristics of today's society (especially in the context of virtualization and digitalization brought about by rapid technological progress in the 21st century), because the spread and change of culture may be faster than ever before.

[Insert Figures 1 & 2 about here]

Using the Hofstede online tools, Figure 1 indicates the cultural significant cultural differences between China and the US. Hofstede (1997) had early argued that Chinese culture is more collectivist than Western culture (especially American culture), which tends to be individualistic. For a recent comparison and literary review of western vs Chinese cultural differences, see Chau et al. (2024). However, the addition here in the present study, we argue is that the roots of the cultural values and approaches are due to the philosophical underpinnings which form a fuller picture that have not been previously explored (see Figure 2).

Methodology

Research Design

This study adopts a qualitative single-case study method to explore how traditional Chinese philosophy influences the management practices of US MNCs in their Chinese subsidiaries. The core of the research design is to gain an in-depth understanding of the management practices and organizational culture of US MNCs' Chinese subsidiaries and how these practices and culture reflect the influence of traditional Chinese philosophy. The single-case study method was chosen because it allows us to explore the cultural integration process in the management practices of MNCs, a phenomenon involving the interaction of multi-level factors (Yin, 2018). This method enabled detailed examination into how traditional Chinese philosophical ideas (such as concepts such as "harmony" and "moderation") are reflected in daily management decisions and behaviours. Second, single cases can provide rich contextual information that helps understand the evolution of management practices in a specific organizational environment (Siggelkow, 2007). In this study, this means that we can gain an in-depth understanding of how GlobalHR's Chinese subsidiaries combine traditional Chinese philosophy with Western management concepts in their unique organizational context. Data were collected between May to June 2024.

Case Selection

Our case study focuses on an American multinational HRS - 'GlobalHR' (a pseudonym) that has operated in China for over 20 years. Founded in the late 1940s, the company initially focused on temporary staffing services, and later gradually expanded, now with experience in 75 countries and

regions around the world, the company provides comprehensive workforce solutions to companies in different industries through its various sub-brands, covering recruitment services (RPO and headhunting), flexible employment, talent training, HR consulting and career management. GlobalHR first entered the Hong Kong and Taiwan markets in the 1990s and then entered mainland China in the 2000s through a joint venture with a domestic company. GlobalHR's Chinese subsidiary adopts a matrix management model, which has both vertical management divided by business lines (such as staffing, recruitment, outsourcing, etc.) and horizontal management divided by geographical regions. The company is headquartered in Shanghai, with three major regions: East China, South China, and North China, as well as Hong Kong, Macao and Taiwan. The rationale for selecting GlobalHR is as follows:

1. Representativeness: GlobalHR is a Fortune 500 company and a recognised leader in the global human resources services and workforce solutions industry. Its global influence provides a strong backdrop for its operations in the Chinese market. Since entering the Chinese market, the company has established a business network in over 200 cities, serving tens of thousands of enterprises. The company's deep localisation strategy, extensive market coverage, innovative services, and leading position in the industry make it an ideal case for observing the operations of MNCs in the Chinese market.
2. Development trajectory: The company's nearly 30-year development in China, transitioning from a wholly foreign-owned enterprise to a fully localised entity, particularly after the Chinese subsidiary's independent listing, this unique development trajectory provides an ideal window for studying the impact of traditional Chinese philosophy on management practice.
3. Accessibility: The researcher's prior engagement with GlobalHR provides an insider perspective, facilitating trust-building and access to detailed and candid information. This insider access, combined with rigorous reflexivity measures to mitigate potential biases, ensures a deep understanding of the company's internal dynamics.

Data collection

Data were collected in the form of 26 semi-structured interviews (with 28 members of staff, ie. 2 were conducted together), a method widely used in cross-cultural research (Xing et al., 2016; Cramton and Hinds, 2014). This method allowed researchers to follow up with questions based on the interviewee's responses and explore topics of interest in depth. It also provided insights and personal experiences of interviewees on specific topics. It was suitable for exploring topics that may involve cultural differences and subtleties, such as the application of traditional Chinese philosophy in modern corporate management. It also allowed new topics and insights to emerge naturally without being limited to a preset question framework.

A combination of convenience and purposive sampling was employed, allowing effectively identification and recruitment of participants to share their experiences (Etikan et al., 2016). A cross-section of participants from different organizational levels and with different tenures ranging from 1 to 20 years, with the goal of identifying informative cases that could provide in-depth insights related to the research questions were selected (see Patton, 2002) – see Appendix A. This temporal diversity of the sample supports the goal of understanding how the influence of traditional Chinese philosophy on management practices has developed over time (Peng et al., 2021). Eighteen face-to-face interviews were conducted in informal locales like meeting rooms or cafes, complemented by 8 online interviews. The interview duration, ranging from 50 to 120 minutes, facilitated a thorough

exploration of the research themes. All interviews were conducted in Mandarin Chinese, the shared native language of the researcher and participants. This linguistic alignment, coupled with the researcher's profound comprehension of Chinese philosophical traditions, facilitated nuanced communication and discernment of subtle cultural nuances within responses. All interviews were audio-recorded to ensure precise data capture, except for one instance where recording was declined, prompting detailed note-taking. Subsequently, all recordings were transcribed verbatim to preserve data fidelity.

Data analysis

This study adopted a hybrid thematic analysis method, combining theory-driven and data-driven methods (Braun & Clarke, 2019; Fereday & Muir-Cochrane, 2006), which is a widely used method in qualitative research, especially for exploratory research (Braun & Clarke, 2006). This method emerging themes based on the existing theoretical framework, thereby fully exploring our research questions. The analysis process followed the following steps:

1. An initial thematic framework was established based on: A. Traditional Chinese philosophy (such as A.1 Confucianism, A.2 Taoism, A.3 Legalism), B.1 Hofstede's cultural dimension theory (for the characteristics of American companies), C. Perlmutter's EPRG model.
2. The researchers read the transcribed interview texts repeatedly and made preliminary notes to gain an overall understanding of the data set (Braun & Clarke, 2019).
3. Coding of data was manually performed within the spreadsheet.
4. Codes and the initial framework were compared.
5. The relationship between the integrated themes and the raw data were examined to ensure that the themes accurately reflected the nature of the data. Special attention was given to emerging themes that may challenge or extend existing theories (Braun & Clarke, 2019).
6. Identification of specific comments, and presentation of them in the form of grouped and thematic findings based on the patterns identified. A summary is indicated at Appendix B.

Findings

Three broad thematic issues emerged as the empirical contributions from this study.

1 American roots and Chinese market challenges

GlobalHR's China market entry strategy has gone through several key stages, evolving from strict adherence to American models towards adaptation to Chinese local characteristics. This transition is in the localisation of the management team and the decentralization of decision-making authority. According to several participants' recollections of early experiences, the company first set up offices in Taiwan and Hong Kong, taking advantage of the relatively mature market economy environment in these two regions in the 1990s, when the office was established in the mainland, it was also the

leaders from Taiwan and Hong Kong who led the mainland region, whose stated that Taiwan and Hong Kong were more professional at the time, and because they knew both Chinese and English, they could be said to have played a bridging role. When the Shanghai office was established, all operations reporting directly to the US headquarters (GlobalHR US Headquarters). All management policies required approval from the US headquarters, and the company used a unified system. For instance, the working language was English, even though most employees were Chinese. The interview process was conducted entirely in English. English proficiency was a key requirement to enter GlobalHR. For example:

" At that time, all communication was in English. You wrote emails, conducted interviews, and assessments, and all processes followed global standards. When I joined after graduating from university, my interview lasted 4 hours, entirely in English. (Interviewee 8)

As GlobalHR's business grew, the company appointed its first mainland Chinese CEO. During this phase, GlobalHR established its Asia-Pacific headquarters in Singapore, with the Chinese region reporting to this division. The Asia-Pacific management team was diverse, including members from India and the US, emphasizing regional diversity. Concurrently, the leadership team shifted from Taiwanese to predominantly mainland Chinese personnel, and the Shanghai office became the headquarters for Greater China. The rapid growth of GlobalHR's Chinese operations led to the Chinese region reporting directly to the US headquarters, bypassing the Asia-Pacific management level. For example an executive commented:

"We used to report to Singapore, with each region having its own regional headquarters. However, for a long period, the Chinese team reported directly to the U.S. because our operations were large and successful enough. As long as the business was good enough, we reported directly to the U.S., making us equal to Singapore." (Interviewee 23)

Several executives said the US headquarters often does not understand the Chinese market, and even the Singapore team in the Asia-Pacific region wouldn't be particularly aware of the rapid changes in the Chinese market. It took five years to prepare for the IPO in order to fast-track the China market. GlobalHR's business in China was primarily headhunting in the early days, but it began to expand heavily in order to go public. The expansion strategy involved the continuous acquisition of staffing companies across mainland China between 2010 and 2012. This aggressive acquisition strategy significantly increased GlobalHR's market share in the Chinese HR market, exemplified by the acquisition of 'A' HR company, which had a strong national presence. After GlobalHR went public independently, GlobalHR US was no longer involved in the daily management of its China business. So GlobalHR still uses the brand name of the US company, but the headquarters requires GlobalHR to add China after it. However, most of the executives say that this relationship was a kind of international brand licensing and that a licensing fee was paid to GlobalHR US Headquarters. The U.S. company still holds a percentage of the shares, but its influence is minimal. Thus:

"The brand is authorised by GlobalHR US, and we need to pay a license fee. From a legal structural perspective, we are independent from GlobalHR US. There are shareholder representatives, but they have no connection with internal operations; it's a red-chip structure. This shareholder does not participate in actual execution; he just takes a share. (Interviewee 19)

A striking feature of MNCs in China is their unwavering commitment to regulatory compliance. This emphasis on adherence to local laws and regulations permeates all aspects of their operations, from client relationships to internal legal affairs and human resource management. Interviewees

consistently highlighted that MNCs would prioritise compliance even at the cost of potential business opportunities. This stringent approach to compliance has become a defining characteristic of foreign enterprises in the Chinese market, setting them apart from some local competitors. The compliance culture is deeply ingrained in the organizational DNA of these companies. This focus on compliance has served as both a strength and a challenge for MNCs, while sometimes limiting flexibility in a fast-paced market. One respondent noted:

“GlobalHR has a significant culture brought, which is about compliance. From the start of employment training to various stages of the interview process, the keyword mentioned was compliance. They would rather not do the business than compromise on compliance. (Interviewee 7)”

Upon entering the Chinese market, MNCs typically introduced their standardised global management systems, emphasizing process-oriented approaches and transparency. Initially, these systems were seen as a competitive advantage, attracting top talent and ensuring consistency across global operations. However, as China's market rapidly evolved and domestic enterprises gained prominence, the limitations of this standardised approach became increasingly apparent. Senior executives frequently pointed out a significant disconnect between US headquarters and the realities of the Chinese market. The global management structure, while ensuring uniformity, often resulted in prolonged decision-making processes. This bureaucratic inertia hampered the ability of MNCs to respond swiftly to the rapidly changing Chinese market conditions. Furthermore, the lack of nuanced understanding of local market dynamics at the headquarters level often led to unrealistic budget allocations and goal-setting, further complicating operations on the ground. One senior executive recalled:

“First, the US department do not understand various aspects of China, whether it is the entire business environment or the administrative requirements of China, such as the Labor Contract Law, including the characteristics of our local competitors. So, previously, when reporting to the global headquarters, we always had to explain the local policies and the reasons for doing things. (Interviewee 16)”

Several participants noted that MNCs face growing challenges in the Chinese market. As Chinese market was rapid quickly, more and more local HR firms are also expanding their markets to capture a larger and larger share of the market. At the same time, the internal client base has changed from multinational clients in the past to domestic clients. Several executives agree that as a business entity, GlobalHR, like other MNCs, will eventually fail if it continues to develop in China according to the standards of its parent company because the Chinese market was changing too fast. This transformation was further illustrated by the experience of a long-term employee, who recalled:

“When we first joined GlobalHR, people needed to have very good English skills because our clients were mostly MNCs. There were very few local clients. Local companies were considered second or third-tier clients. Now it's definitely different, many local companies are our main clients. (Interviewee 15)”

2 Culture as a barrier, beyond borders

Despite operating in China for over twenty years, GlobalHR still exhibits intrinsic features of its American corporate DNA. Participants consistently identified that the company maintains a

relatively flat organizational structure and encourages direct and open communication. The company's willingness to accept opinions from employees at all levels and even communicate with employees at different levels before making major decisions. The company encourages open dialogue and feedback, allowing employees to question and discuss decisions with higher management. This is captured by one senior executive's description:

"I can question the CEO. You can't say whatever you want just because you are the top leader. So you can think and put forward your opinions according to the system. (Interview 22)

Despite the huge competitive pressure in China's business environment, GlobalHR still adheres to its commitment to work-life balance. Most respondents said that compared with other local companies, GlobalHR is relatively relaxed. For example, the company insists on a two-day weekend, does not force overtime, and maintains a 40-hour work week. The company also does not implement a strict attendance system, does not impose fines for lateness, and clearly separates work and personal life. Many respondents mentioned that senior management also respects employees' private time and will not contact them after get off work or on weekends. According to a participant:

"The style is retained by the GlobalHR US. For example, there is no need to punch in or work overtime, there are very few instant messaging tools, and getting off work ends on time at 6 o'clock. You will no longer be responsible for work matters, and you pay attention to work-life balance. (Interviewee 16)

Most employees report that the firm evaluates them upfront (until 2022) based on individual performance, with evaluations 100% tied to personal achievement. Because the firm uses a partnership system, each partner is responsible for the profits and losses of his or her team, but also maximises the value of the individual. This structure results in competitive, non-cooperative relationships between teams. Because of the firm's focus on immediate results and quantitative metrics, there is a focus on achieving firm-wide goals. Several interviewees noted that this focus on quantitative results drives a high-performance culture, but also creates significant pressure to achieve consistent results.

3 *Philosophy is the root of all relationships*

Confucianism emphasises harmony in interpersonal relationships, which is evident in the company's communication style. In conflict management, this philosophy is particularly noticeable. When issues arise, an individual's rank is considered first; if a superior is involved, direct confrontation is avoided in favour of seeking resolution through personal relationships or informal channels. In client relationships, two executives quoted the term 'relationship marketing' to describe GlobalHR China's approach. Due to strict global compliance standards that only allow gifts valued under \$5, the company has leveraged high-quality products and professional services to build and maintain client relationships. This strategy aligns with both global standards and China's relationship-centric business culture. The approach to employee welfare also reflects Confucian values, differing from the American model, while American companies tend to focus on tangible benefits, Chinese enterprises, including GlobalHR, place greater emphasis on the relationship between superiors and subordinates. This is manifested in emotional care for employees, with executives frequently taking initiative to close the distance with their staff. Even without formal team-building budgets, department leaders often organise informal gatherings at their own expense. As described:

“MNCs have fixed-point team building, which must be based on the system. In local companies, they may do this at any time for the sake of better harmony among employees. Even if you don’t have a team budget, you will still do it. I think in terms of integration, Chinese people still pay more attention to the relationship between you and your subordinates and are in a relatively harmonious state. (Interviewee 22)”

Some employees reported that even though the company advocates for direct communication, interactions with superiors often display do 'Tai Chi' style (A slang term in Chinese, this expression borrows the concept of the Chinese martial art Taijiquan, a combat method that emphasises the use of softness to overcome rigidity and leverage strength. "Tai Chi" is often used to describe someone who deliberately avoids a question, does not answer a question directly, or deliberately says something ambiguous during a communication, making it difficult for the other person to grasp their true intention or position.), with messages often left half-said. This approach encourages employees to interpret meanings themselves. One Senior executive also mentioned that learned advanced management methods from abroad, such as hierarchy and organizational structure, but communication should still be done in the Chinese way. This is a relatively good fusion. This high-level director explained:

“These advanced management frameworks are worth learning. However, using the Chinese way of communication is the most appropriate and reasonable. Therefore, retaining the advanced management methods of MNCs, combined with the soft communication style of Chinese people, includes problem-solving methods.”

Further, leadership styles in GlobalHR China exhibit a clear fusion of Chinese and Western management philosophies. Leaders' management styles are influenced to some extent by traditional Chinese philosophies, including the core values of Confucianism, Taoism and Legalism. At the same time, these leadership styles also incorporate the efficiency and results orientation of Western management practices. The Confucian concept of harmony has influenced the management style of some leaders. Some interviewees mentioned that some top managers pursue the idea of team harmony and win-win situations by giving full trust to their employees after appointment and providing support and resources to employees when they encounter difficulties. Leaders generally show a high level of trust and authorization of employee autonomy, which is also in line with the Taoist principle of "ruling by doing nothing". In addition, some leaders still maintain a strong sense of hierarchy, limiting the room for subordinates to challenge their decisions, which is consistent with the authority in Legalism philosophy. Overall, these leadership styles represent a combination of Chinese and Western management practices, as suggested by one interviewee:

“When CEO returned, he was able to bring some Asia-Pacific or more global aspects to China. Being Chinese, he always balanced various elements. One thing about Chinese people is that they emphasise balance. From his perspective, under his leadership, the focus of the headhunting and outsourcing business varied at different times.(Interviewee 15)”

A significant shift in leadership occurred approximately two years after the company's public listing, with 80-90% of the top management being replaced. This change, is unusual for GlobalHR. The new leadership introduced elements of Legalist philosophy, emphasizing centralised power and strict adherence to rules and regulations. However, many employees, accustomed to a more liberal style, found the sudden demand for absolute loyalty and obedience to leadership challenging, because they pointed out it was an increased intrusion of management into employees' personal time, requiring them to follow leadership directives even during rest periods. This transition was accompanied by the introduction of more standardized management processes and systems that demanded strict

adherence. Most employees feel uncomfortable with this change and complain that they are no longer as free as before. However, some middle managers suggested that this centralized management style was necessary during economic downturns, providing clear direction. Thus:

“The current management was more centralized, unlike the previous decentralized partner system. The shift to a centralized structure is due to the increasingly challenging market, requiring the consolidation of resources for collective efforts. (Interviewee 26)”

The study found a significant change in the company's communication culture, moving away from the open, direct style characteristic of American management to a more hierarchical and authoritative model. Many employees mentioned that some high-performing employees left the company because of their direct communication style and questioning of management decisions. Behaviour that was once considered normal is now considered a sign of disloyalty. Because the company now requires absolute obedience and loyalty, regardless of good or bad performance. Therefore, the performance within the company has changed, and more 360-degree assessments have been introduced. Personal performance accounts for one part, and there will also be evaluations from people at the same level, superiors and subordinates. Employees who participated in the editorial appraisal system mentioned that employees trained through such performance will be more loyal and loyal to the CEO. One striking discovery was that several employees mentioned that the current CEO was studying "Zi Zhi Tong Jian", an ancient Chinese historical document compiled by Sima Guang during the Northern Song Dynasty. Although "Zi Zhi Tong Jian" is not a philosophical text in the strict sense, research shows that it incorporates philosophical elements from Confucianism, Taoism, and Neo-Confucianism, reflecting the political ideology, ethical thoughts, and moral concepts of the time (Guan 2019). Traditional Chinese philosophy and historical concepts may be influencing the way CEOs lead, and in turn, the company's overall management culture. This influence is reflected in changes in the company's communication methods and leadership's focus on traditional Chinese ideas.

Discussion

Based on the above empirical findings, the following points of discussion came to light.

The influence of Chinese philosophy on the management practices

This study highlights the integration of ancient Chinese philosophical ideas, specifically Confucianism, Taoism, and Legalism, into GlobalHR China's business management practices. The research confirms the significant impact of Confucianism on company management (Wang, Xu, and Zhan, 2024; Tian, Tang, and Tse, 2021; Tsai and Tsai, 2021; and Subramanian et al., 2019). Within GlobalHR, Confucian principles are evident in the emphasis on harmonious relationships among employees and subordinates at all levels, as well as the long-term focus on customer relationship management, aligning with the findings of Chou and Cheng (2020). Furthermore, leadership qualities reflecting Confucian, Taoist, and Legalist philosophies are observed within the organization, as documented in previous studies, including benevolent and moral leadership in Confucianism (Yang et al., 2020; Zheng et al., 2011; Bond and Hwang, 1993), decentralised leadership in Taoism (Li et al., 2020; Qi, 2022), and an authoritarian leadership system in Legalism (Chen et al., 2018). These philosophical influences, not limited to Confucianism but also encompassing Daoism and Legalism, collectively shape the management style of GlobalHR within the context of American

management practices. Nevertheless, this impact is not static but adaptable, evolving in response to the company's developmental stage and the external environment.

Significant shifts in corporate management practices and environmental dynamics have been observed in the case of GlobalHR, aligning with the scholarly perspectives of Beugelsdijk et al. (2015) and Chun et al. (2021) on the evolving cultural dimensions. Initially characterised by high individualism and low power distance, GlobalHR exhibited a performance-driven culture and open communication in its management approach. However, with the company's expansion into the Chinese market and subsequent independent listing, a gradual integration of traditional Chinese management elements, particularly Legalist centralised leadership, has been noted. In terms of human resource management, there has been a transition from an individual performance-centric KPI evaluation system to a more collaborative and holistic assessment framework that emphasizes teamwork and overall contributions. As articulated by Interviewee 10: *“Contemporary evaluations encompass not only individual performance but also external perceptions, reflecting a comprehensive evaluation approach”*. Contrary to the findings of Chen et al. (2018), this study reveals that the prevalence of authoritarian leadership is not as pronounced within the context of GlobalHR. Instead, cyclical patterns reflective of legalistic perspectives, such as authoritarian leadership, emerge notably in times of financial hardship. The period of 2022-2023 witnessed a shift towards a more centralized management approach by the leadership, resulting in a notable surge in employee resignations. Employees attributed this trend to their resistance towards centralized authority. This observation challenges the assertions made by Pan et al. (2009) that Chinese managers exhibit a higher inclination towards deference to authority compared to their American counterparts.

The discrepancy observed can likely be attributed to GlobalHR's status as a multinational corporation with a longstanding commitment to fostering an inclusive and participatory organizational culture, where employees have acclimated to a culture characterized by low power distance. Moreover, the swift transformations unfolding in Chinese society, particularly shifts in the values held by the emerging cohort of professionals, may predispose them towards management approaches that prioritize equality and employee involvement. It is noteworthy that evolution in the organizational culture is not solely a result of cultural amalgamation but is significantly shaped by the leadership styles of successive CEOs. While initial CEOs advocated for American managerial practices and placed emphasis on individual key performance indicators, subsequent CEOs introduced more traditional Chinese elements and accentuated the importance of teamwork. A manager aptly noted, *"The prevailing management style of one's superiors typically serves as an indicator of the management ethos within the company, with the influence cascading down from superior to superior."* (Interviewee 8).

What's culture got to do with it?

GlobalHR's cultural practices embody a blend of Chinese and American cultural influences, evident not only in their management strategies but also in the shared values embraced. A senior manager (Interviewee 23) highlighted the people-centric ethos of GlobalHR, emphasizing the core principles of respect, tolerance, and equitable relationships. This amalgamation of values signifies the successful incorporation of Chinese cultural aspects to accommodate foreign investments, incorporating elements of Confucian philosophy. Such integration of values aligns with Faure and Fang's assertion that while China has experienced cultural transformations, certain fundamental cultural tenets persist. The "people-oriented" approach adopted by GlobalHR mirrors both Western corporate practices emphasizing individual worth and traditional Chinese cultural values. Notably, this concept resonates with Hu Jintao's 2003 advocacy of a "people-oriented" governance

philosophy, illustrating a strategic alignment between political ideologies and corporate ethos. This strategic adaptation to local political landscapes serves as a response strategy to the multifaceted challenges in management, culture, and regulation encountered by MNCs in China, as discussed by Froese et al. (2019).

It was also revealed that the organisation exhibits a dual cultural layer, where the superficial level embodies traits of American corporate culture, including low power distance, transparent communication, and a horizontal management structure, while the underlying stratum preserves traditional Chinese cultural characteristics, like employing "Tai Chi" style implicit communication methods. This observation can be attributed to the Confucian principle of "monarch and minister," emphasizing the importance of individuals having defined roles, and the Taoist belief that "those who know do not speak, and those who speak do not know," suggesting the ineffable nature of truth that cannot be adequately expressed through language. Kirkman et al. (2006) emphasized the contextual nature of expressing cultural dimensions, such as PD, within organizational environments. While senior managers may assert the adherence to the equality principle prevalent in American culture, aligning with the low PD characteristic in the US according to Hofstede's cultural dimension, feedback from grassroots employees reveals a contrasting reality. Particularly, the identification of gender inequality during the recruitment process could be attributed to the influence of Confucian values stressing family and social cohesion. Traditional Confucian beliefs delineate distinct gender roles, potentially impacting the recruitment strategies of the organization, notably the undue emphasis on the familial background of female applicants, a tacit regulation ingrained in the company's operations. An employee's account illustrates this covert practice, where considerations such as child-rearing responsibilities are surreptitiously factored in without overt disclosure in job postings (Interviewee 1).

This inconsistency challenges the static assumption of Hofstede's (1980) cultural dimension theory, that cultural characteristics are consistent at the individual and organizational levels. This finding is consistent with Chen's (2009) warning against blindly viewing Chinese as collectivists and Americans as individualists. Our research confirms that culture and organization are not one-to-one, and it should not be assumed that there is a unified organizational culture. Organizations and individuals in the country present a variety of different characteristics, and this influence merges with each other to form a dynamic, multi-level fusion state (Kirkman et al. (2006, 2017) and Beugelsdijk et al. (2017)). The case of GlobalHR illustrates that when a company originating from the US operates in China, its culture does not simply reflect American or Chinese culture, but is a unique fusion of the two cultures. Even within the same national context, different organizations may develop different cultural characteristics. Similarly, within an organization, different departments or levels may present different cultural characteristics. It demonstrates the integration of Chinese and American cultures at the national level, the creation of a unique two-layer cultural structure at the organizational level, and the embodiment of diversity and differences at the level of individual practice.

The relevance of Perlmutter today

GlobalHR China has developed a "local empowerment model". Although the company did experience a shift from headquarters-centred (ethnocentric) to country-centred (polycentric) in its early days, its later development, especially the high degree of autonomy after its independent listing, has exceeded the explanation of the EPRG model. This is neither fully consistent with polycentricism nor the global orientation. Instead, it gives Chinese companies a high degree of operational autonomy while maintaining global brand consistency. This finding challenges the applicability of the EPRG model, this also reflects what Ghemawat (2007) emphasised, that simple

management models may be ineffective or counterproductive when faced with complex challenges such as cultural differences, institutional distance, and geographical dispersion. At the same time, it also echoes the findings of Schühly et al. (2022), that cultural distance has a significant impact on the internationalization strategy of companies, and a more flexible management approach is needed. The emergence of this model may be due to the following factors:

- i) ***Industry characteristics:*** As a knowledge-intensive service industry, the HRS sector's development is highly dependent on market dynamics and industry trends, directly affected by changing client needs. Changes in the high-end headhunting market: The rapid growth of China's high-tech industries has led to a surge in demand for skilled talents. This trend has directly impacted GlobalHR's business focus and service offerings. As one employee (Interviewee 26) insightfully noted: "Industries like mobile phones, automobiles, and new energy are research-intensive and place a high value on talent development. If these industries thrive, our headhunting and staffing businesses prosper. However, if external businesses struggle, our entire HR industry could be affected." This observation clearly illustrates the close ties between the HR service industry and client enterprises' development.

- ii) ***The impact of national policies:*** China's economic development model is unique, with national policies playing a key role in shaping the industrial landscape and market demand through a "top-down" policy-oriented mechanism (Huang, Geng and Wang, 2017). For instance, in the context of China's 14th Five-Year Plan, the State Council (2021) has emphasized the promotion of digital industries and the deep integration of digital and real economies. This has led various industries to accelerate their digital transformation by actively utilizing emerging technologies such as the Internet, big data, and cloud computing. This digital wave has directly propelled the rapid development of human resource outsourcing, particularly in IT outsourcing (ITO). ITO primarily refers to the outsourcing of IT department functions such as software development, hardware maintenance, and integration of basic technology platforms. These policy orientations have indirectly affected GlobalHR's client structure and service focus. As one of GlobalHR's IT department employees noted: "Previously, we were a functional department serving internal projects. After 2022, we've transformed into a business unit, directly moving to ITO business operations" (Interviewee 27). Given the particularly strong role government policies play in guiding the market, these changes require GlobalHR to swiftly adjust its strategies to adapt to the evolving policy environment and customer needs.

The culture of GlobalHR China is not simply Chinese culture or American culture, but a unique fusion of the two. Due to the particularity of the Chinese market and the rapidly changing economic environment, GlobalHR China has gradually developed beyond the EPRG model and demonstrated a 'localized empowerment model'. This model not only maintains the consistency of the global brand but also gives Chinese subsidiaries a high degree of operational autonomy. This also includes specific management practices, including decision-making processes, organizational relationships, leadership styles, communication methods, and performance management.

Conclusion

This study finds that management practices in China are influenced by a fusion of US corporate culture, traditional Chinese philosophy, and the cross-cultural environment. This study highlights how GlobalHR integrates into the Chinese cultural context, drawing inspiration from US corporate culture and traditional Chinese philosophy to tailor a unique 'localized empowerment model' for GlobalHR China. Confucian values of harmony and respect for hierarchy, Taoist principles of flexibility and non-interference, and Legalist emphasis on authority and strict adherence to rules all found a place in the company's evolving management strategy. These traditional Chinese philosophies were not simply added on, but became integral to shaping the company's leadership style, decision-making processes, and interpersonal relationships. At the same time, a dual-layer cultural structure existed in GlobalHR China. On the surface, the company maintained its American corporate image, emphasizing openness, direct communication, and individual achievement. However, beneath this layer, there was a strong undercurrent of traditional Chinese values guiding informal practices and interpersonal relationships. This dual-layer structure illustrates the complexity of cultural integration in multinational companies, where global corporate culture and local cultural context interact and influence each other in multifaceted ways. This goes beyond Perlmutter's traditional EPRG framework, granting Chinese subsidiaries considerable operational autonomy while maintaining global brand consistency. This approach enables GlobalHR to more effectively navigate the complexities of the Chinese market, aligning its operations with local market demands and cultural expectations while still adhering to its global corporate image.

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Tables and Figures

Figure 1 The comparison with China and the US on Hofstede (Hofstede Insights 2023)

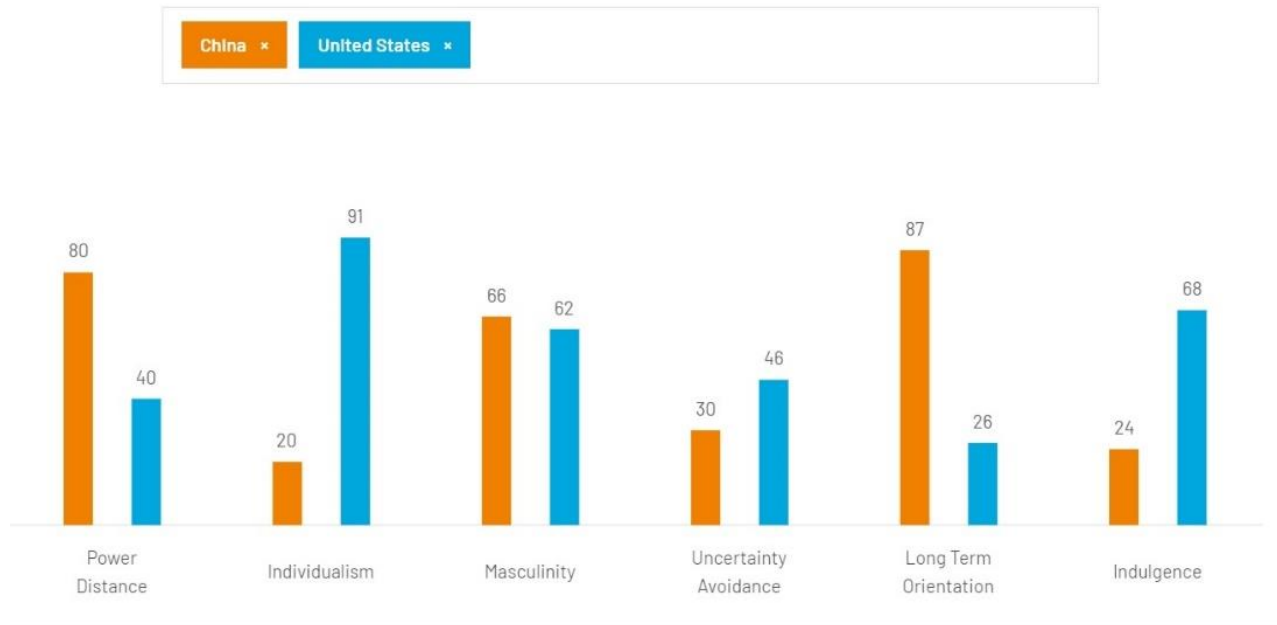


Figure 2: Comparison of Chinese and American Cultural Dimensions Influenced by Confucianism, Legalism, and Taoism (Hofstede Insights 2023)

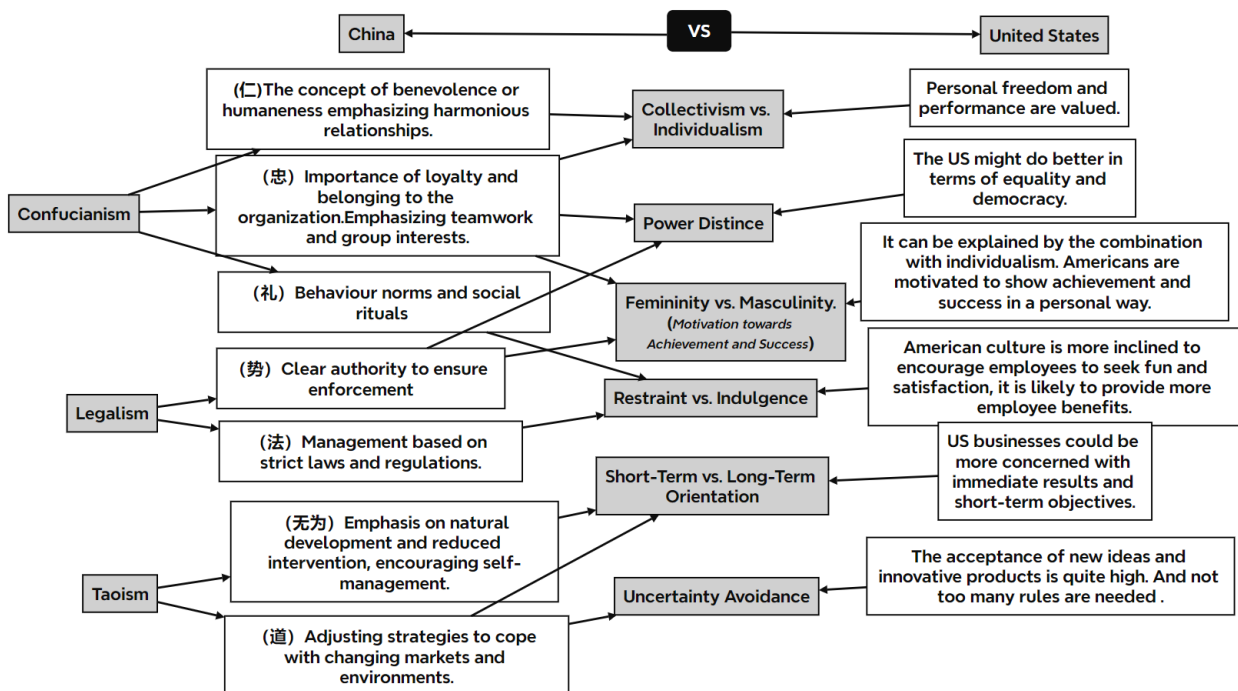


Table 1 – summary of Chinese philosophies

School of Chinese philosophies	Founder	Core Text	Key Ideas
Confucianism	Confucius (BC.551-479)	The Analects, Mencius, Daxue (The Great Learning), Zhongyong (The Doctrine of the Mean)	Confucianism is one of the cornerstones of traditional Chinese culture, emphasizing the importance of personal virtue and social harmony. It advocates for the values of benevolence (仁 Ren), etiquette (礼 Li), loyalty (忠 Zhong), and forgiveness (恕 Shu). The Analects, a collection of Confucius's sayings, and Mencius, a follower who elaborated on Confucian teachings, are particularly influential. The Great Learning and The Doctrine of the Mean also provide foundational texts for understanding the pursuit of knowledge, moral self-cultivation, and the balance of virtues.
Taoism	Laozi (BC.571-471)	Tao Te Ching	Taoism focuses on living in harmony with the Tao, the natural order of the universe. It promotes the practice of non-interference (无为 wu wei), simplicity, and self-cultivation. The Tao Te Ching, attributed to Laozi, is a foundational text that outlines the principles of the Tao, or "the way," and how to live in accordance with it.
Mohism	Mozi (BC.470-391)	The Mozi	Mohism is known for its principles of universal love (兼爱 Jian ai), non-aggression (非攻 Fei gong), and frugality (节用 Jie yong). It advocates for a society based on meritocracy and opposes wasteful rituals and aggressive wars. The teachings of Mozi are compiled in the text known as the Mozi.
Legalism	Han Feizi (BC.280-233)	Han Feizi	Legalism is a pragmatic philosophy that emphasizes the importance of strict laws and a strong, centralized government. It advocates for the rule of law (法治 Fazhi) and the use of harsh punishments to deter crime. Han Feizi's writings argue for the efficiency and necessity of a legal system that is separate from personal morality.
School of Names (Logicians)	Hui Shi (BC.380-305), Gongsun Long (dates uncertain)		The School of Names is known for its focus on the philosophy of language and logic. It explores the relationship between words and their meanings, as well as the nature of truth and argumentation. The teachings of Hui Shi and Gongsun Long are documented in texts like the Zhuangzi, which, while not exclusively focused on the School of Names, provides insights into their thought processes.

Appendices

Appendix A. Participant Information

Interview Method	Tenure of office	Years of experience	Interviewee ID	Level
Online	2005-2014 2020-2022	11	8	Senior level
Face to face	2006-2023	15	12	Senior level
Face to face	2004-2023	20	15	Senior level
Face to face	2007-2021	15	16	Senior level
Face to face	2008-2022	14	19	Senior level
Face to face	2020-2023	3	22	Senior level
Face to face	2008-present	16	23	Senior level
Face to face	2021-2023	2	1	Middle level
Face to face	2020-2022	2	3	Middle level
Online	2021-2022	1	4	Middle level
Online	2021-2022	1	7	Middle level
Face to face	2021-present	3	10	Middle level
Face to face	2020-2021	1	13	Middle level
Face to face	2020-2022	2	21	Middle level
Online	2012-2022	10	24	Middle level
Face to face	2018-present	6	25	Middle level
Face to face	2008-present	16	26	Middle level
Face to face	2020-present	4	27	Middle Level
Online	2016-2023	7	28	Middle level
Online	2021-2022	1	2	Junior level
Online	2019-2022	3	5	Junior level
Online	2019-2023	4	6	Junior level
Online	2021-2023	2	9	Junior level
Face to face	2017-2019	2	11	Junior Level
Face to face	2018-2022	2	14	Junior Level
Face to face	2020-present	4	17	Junior level
Face to face	2021-2023	2	18	Junior level
Face to face	2018-2020	2	20	Junior level

Appendix B. Thematic Analysis Process

Quotations	Initial Coding	Sub-theme	Theme	Main Theme
He will not make decisions for you, he will only analyse the situation for you. He will not tell you anything conclusive. I just asked him whether this client can sign the contract, whether this client and these terms can be signed. Then he will not tell me whether I can sign or not. In the end, it is up to you to decide. If you think the partner team can accept it, then you can sign it.	Analysis-based decision-making by leadership, leadership style	A.2	A.2.2	
Internal struggles have become too intricate, everyone used to be business-oriented for performance. Now it's a bit like the bureaucracy within state-owned enterprises. It's not just about who performs well and whose achievements speak for themselves, but also about whether you are obedient and compliant. I feel that at his level, he doesn't allow questioning of his decisions. The acceptance is quite low. I understand that when your superior makes a decision, it's almost impossible to change their mind. This company doesn't have a particularly strict hierarchical system. It's relatively flat, or rather, I can't say it's flat, I think they are very business-oriented.	Increased internal politics and bureaucracy, Obedient and compliant	A.3.2	A.3	A
It's performance-oriented, but also takes into account your KPI, that is, your phone calls, recommendations, and interview volume are also linked. But 80-90% is your individual performance	Low Acceptance of Dissent, Unquestionable Decisions	B.1.2		
Work-life balance depends on performance. When your performance is poor, you need to work more, even if it's just to show your effort to the leader. However, this was relatively rare at GlobalHR overall.	Non-hierarchy management	B.1.1	B.1	B
After becoming an independent public company, because it was completely split, what you do is actually a feeling of laissez-faire governance, where you set your own requirements, you set your own goals, and how to achieve those goals is a significant change.	Performance Orientation, KPI Linked to Activities, Individual Performance Conditional work-life balance based on performance, Overtime is not serious	B.1.4		
	Laissez-faire governance Self-set goals and requirements	C.4		C

For positions like the GRC Region PV, they are all selected by the Asia-Pacific, with the Asia-Pacific headquarters in Singapore. They might find third-party service agencies to recommend talents. At that time, the Greater China region was not an independent operational entity, it was still attached to GlobalHR's global network. So, it was definitely them who placed the people.	Talent selection and placement by Asia-Pacific headquarters, Reliance on the global network C.3
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