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An Analysis of Recruitment, Training and Retention Practices in Domestic and Multinational Enterprises in the country of Brunei Darussalam

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Abstract

This paper studies the behavioural differences in the recruitment, training and retention practices of domestic (DEs) versus multinational enterprises (MNEs) in the country of Brunei Darussalam. Hypotheses from literature survey predict MNEs to be more stringent in their recruitment and training and rigorous with promotion practices. Results show this is to be largely true. MNEs are found to be more rigorous in recruitment and place more emphasis on such traits as candidates' 'devotion to task', 'self-motivation', and 'independent judgment'. DEs rely more on internal appointments than external. MNEs place more emphasis on training; they also emphasise a stronger work culture by relying on 'induction by socialisation', and 'buddy system for mentoring'. When analysed by age, older firms were found to place more importance on language and commitment. They also rely on training via the buddy system and on external appointments for senior posts. Large firms place emphasis on employees' willingness to travel and work experience in other countries as the main recruitment criteria. Large firms also believe in external appointments for senior positions. The study which is one of few of its kind conducted in non-western environment, and the only one in the context of Brunei, adds to our understanding of HR practices in the context of two different genres of enterprises and has implications for future research.

Keywords – Recruitment, training, retention, domestic enterprises, multinational enterprises, t-test.

1. Introduction

A key factor in the success of any organisation is the way in which employees are recruited, trained, and retained within the organisation. This relationship, which is the cornerstone of sustaining competitive advantage vis-à-vis its rivals, has been studied in great theoretical detail by business economists (see, e.g., Baron, 1988; Milgrom, 1988; Appelbaum and Batt, 1994). This issue is now also being subjected to increasing empirical analysis, given its applied value to the corporate world and also for new research directions it may throw up. Koch and McGrath (1996), for example, found that careful recruitment and selection are positively related to the productivity of the labour force. Pfeffer (1998) also identified the importance of 'selective hiring' and has highlighted that a careful recruitment and selection process can ensure a better fit between organisational needs and employee skills and abilities. This is also echoed in the findings of Verburg (1998), who positively relates good selection processes with perceived profits, market share and investment. The empirical studies, some of which have been conducted in the context of multinational enterprises (MNEs), have

largely concentrated on comparing the human resources management (HRM) practices in the subsidiaries of MNEs in the context of developed economies (see e.g. Guest and Hoque, 1996; Boxall *et al.*, 2007). This paper fulfils a gap in the literature by conducting a study on similar lines in a non-western environment and in the context of an emerging economy. Furthermore, the study squarely compares the HR practices of recruitment, training, and retention (henceforth HR practices) in the context of domestic enterprises (DEs) and MNEs. As is now well recognised, MNEs have become key players in global commerce and are fast establishing themselves in developing economies¹. This study, which is also first of its kind in the country context of Brunei, addresses four key related research questions. First, are the recruitment, training, and retention criteria much more detailed and stringent in MNEs vis-à-vis DEs? Second, do MNEs, given their global operations, ensure greater internal continuity by ensuring smooth executive succession and promotion? Third, how do the turnover rates of employees in the two types of enterprise (DEs and MNEs) compare? Finally, has the size and age of the firm any bearing on the operation of the three issues under investigation?

The paper is divided into the following sections. Section 2 summarises the literature on the three HR practices. Section 3 lists the hypotheses derived from the literature. Section 4 explains the research design, data, variables and methods. Section 5 presents the results. Section 6 includes an analysis on the extension of Basic Results on the Internal (Horizontal) Fit of HR Practices. The paper ends with a discussion, conclusions and synthesis.

2. Literature reference on HR practices

The HR practices explored in this paper are that of selection, recruitment, training, and internal opportunities. These practices were part of Pfeffer's (1994, 1998) original seven practices and have been measured by a number of researchers, largely in single country studies (e.g., Guest and Hoque, 1994; Delery and Doty, 1996; McDonnell *et al.*, 2011). The literature comparing these practices in a multi-country context is scant. The following summary brings together the work in this area together with the resulting hypotheses.

Recruitment and selection

¹ At the last count there were 82053 parent corporations with 807363 foreign affiliates worldwide (440482 in non-developed world); the value of their outward foreign direct investment stock stood at US \$18.982 trillion (\$2.58 trillion in non-developed world) (World Investment Report 2009).

Recruitment and selection (staffing) is recognised as a major strategic international HRM (IHRM) practice that MNEs use to co-ordinate and control their global operations (Dowling and Schuler, 1990; Hendry, 1994) as well as to place the correct people in charge of these operations (Sparrow *et al.*, 1994). In terms of foreign operations though, recruitment and selection represents a challenge to MNEs, as international management teams combine and balance the knowledge of local market conditions and internal organisational competence. The importance of having the right people in the organisation at the right location globally at the right time can accelerate an organisation's international growth (Shen and Edwards, 2004).

Another key recruitment and selection issue is whether these organisations choose to recruit internally or externally. In the latter case, there are many options available to MNEs which include recruiting from the home country, the host country, a third country, or any combination of these (Scullion, 1995). Scholars such as Perlmutter (1969) and Dowling *et al.* (1999) have identified four approaches to international staffing: the ethnocentric approach (key positions filled by home country nationals); the polycentric approach (corporate headquarters run by home country nationals and 'foreign' subsidiaries run by host country nationals); the geocentric approach (best people for the key jobs, nationality not a consideration) and the regiocentric approach (where MNEs divide their operations into geographic sectors and divide staff between these sectors). Recruitment and selection has been found to differ across companies with different countries of origin; British firms, for example, seem to utilise external 'recruitment agencies' and 'executive search consultants' when filling managerial occupancies unlike, say, Taiwanese companies (Hsu and Leat, 2000). Another study by Wong and Birnbaum-Moore (1994) found that positions in Japanese and Swiss firms tended to be filled more by candidates from the home country than those from France, the Netherlands or the UK. Following on from our discussion thus far, the following two testable hypotheses can be listed:

- H1: Given the international operations of MNEs, the recruitment criteria in these enterprises would be more stringent than DEs.
- H2: Given that wider choices are available to MNEs, they rely more on external recruitment to fill vacancies than DEs.

The availability of internal career opportunities can decrease the chances of estrangement which can occur when new faces from outside fill senior positions (Noe *et al.*,

2006). Their availability also ensures that those moving to occupy the vacant position have insights into the organisation and position that they are occupying (Pfeffer, 1994). The provision of internal opportunities has also been found to be positively related to perceived profits, market share and investment (Verburg, 1998). In terms of cross-national or cross-cultural comparison studies, the results have been mixed. Ferner *et al.* (2001) discovered that German MNEs operating in Spain and the UK, exported German characteristics which included their long-term orientation in the companies. Von Glinow *et al.* (1999) found cross-cultural differences between Asian and European promotion criteria, stemming from differences in Hofstede's cultural values, which include a trait of high level of collectivism in Taiwan where the emphasis is on the importance of seniority compared to employee performance and experience in UK companies. This leads to the following hypothesis:

H3: Compared to DEs, the promotion criteria applied by MNEs is much more stringent.

Training practices

The positive impact of this HR practice on employee motivation and performance has been widely reported (Harel and Tzafrir, 1999; Way, 2002; Winterton, 2007). The environment within which an organisation operates can affect the formal training systems in organisations. For example, it is common knowledge that training systems in the UK are largely market-led focusing on job-related skills, whereas in Germany training systems often take the shape of job-specific and general-purpose skills. This difference is echoed in a study by McGaughey and De Cieri (1999) and de Guzman *et al.*, (2011) where they reported that organisations are converging when it comes to macro-level variables, yet maintain a divergence in terms of micro-level variables. Scholars such as McPherson and Roche (1997) have also stressed the importance of training to MNEs, not only to its expatriates but also to host country nationals so as to develop international experience, thus increasing the quality of their international staff. In an empirical study, Taiwanese firms were found to conduct more on-the-job training programmes compared to their British counterparts (Cully, 1999).

A number of studies have related foreign ownership positively to the amount of training provided (Shen and Darby, 2006; Zheng *et al.*, 2006). Investment by MNEs into host countries would include investment in human capital in those countries in the form of training, in order to ensure a higher return on their investment (Lynch and Black, 1995). The

needs of international trade also force organisations to embrace higher standards to satisfy foreign markets, each different from one another, as well as challenges from unknown competitors. From this, H4 is derived as follows:

H4: MNEs place more emphasis on training compared to DEs.

Retention practices

Companies' retention practices address the problem that comes about from employee turnover. An organisation's propensity to overcome problems stemming from employee turnover has to do with the retention incentives that can be utilised within the organisation as well as the organisation's drive to utilise them (Maertz and Campion, 1998). These incentives are also linked to other practices such as recruitment and selection, training and internal opportunities, as retention capacity is embedded within these practices (Reiche, 2008). For example, Shaw *et al.* (1998) highlight the importance of pay and benefits in encouraging employees stay within the organisation; Coff (1997) has added performance-based rewards to this, as well as a sense of possession in the form of profit sharing and stock ownership schemes. Magner *et al.* (1996) demonstrated that increased involvement in an organisation's decision-making processes can lead to a fall in turnover. In terms of multinational subsidiaries, Harzing and Sorge (2003) identified a tendency for subsidiaries to apply the HR practices utilised by their headquarters. This can bring about difficult challenges due to the different environments in which these organisations operate. Pressures from the home country combined with host country influences can affect the level of acceptance of transferred HR practices will receive. Therefore a clash between these two influences can affect the efficiency and effectiveness of HR practices utilised (Hofstede, 1998; Miller *et al.*, 2001). Given these complexities, it is difficult, to state *a priori* what would be the effect of MNEs HR practices on employee turnover rate. The following hypothesis is based on the widely held belief in emerging transition economies that given the higher salaries and perks, the rate of employee turnover is lower in MNEs than DEs.

H5: MNEs have a lower turnover rate than DEs.

The size and age of a firm can also have an effect on the HR practices that organisations would choose to implement. Studies by various scholars (see Van Smoorenburg and Van der

Velden, 2000; Tan, 2001) all indicate significant differences in the HR practices implemented by organisations due to differences in their size. For instance, Matlay (1997) and Szamosi *et al.* (2004) have indicated that returns on training are unlikely to be realised by smaller firms due to their risk averse nature which encourages cost cutting and a lack of future planning. The following hypothesis is based on these findings:

H6: Firm size and age have a bearing on the HR practices of both DEs and MNEs.

3. Hypotheses

Following from the literature review outlined above, the six hypotheses given below are subjected to empirical testing in this paper:

H1: Given the international operations of MNEs, the recruitment criteria in these companies are more stringent than DEs.

H2: MNEs rely more on external recruitment to fill vacancy than DEs.

H3: Compared to DEs, the promotion criteria applied by MNEs is much more stringent.

H4: MNEs place more emphasis on training than DEs.

H5: MNEs have a lower turnover rate than DEs.

H6: Firm size and age have a bearing on the HR practices of both DEs and MNEs.

It needs to be emphasised that the above hypotheses are largely based on the literature review outlined above; they are also partly based on a general appreciation of MNEs' operations in host nations. For example, it is common knowledge in the international business literature that MNEs have three basic characteristics. These enterprises must be responsive to a number of essential environmental forces, including competitors, customers, suppliers, financial institutions, and governments. Second, given their global network, MNEs draw on a common pool of resources, including assets, patents, information, and human resources. And, third, MNEs are linked together by a common strategic vision (Rugman and Collinson, 2009). Their international activities are largely guided by these three principal characteristics. The practices analysed in this paper are no exception.

4. Research design, data, variables and methods

Research design

The research design for this paper began with a review of the relevant literature as outlined above which led to the formulation of six testable hypotheses. The questionnaire instrument

that was prepared, *inter alia*, to collect data for this paper went through a pilot study and a number of revisions before it was finally administered to the HR directors of DEs and MNEs operating in Brunei. Diagram 1 elucidates the process of designing research from start to finish.

DIAGRAM 1 ABOUT HERE

Data collection and sample

Data for this study comes from a primary survey administered to the HR directors of domestic and MNEs operating in the country Brunei Darussalam. Brunei is located in Southeast Asia bordering the South China Sea and Malaysia. A small country of less than half a million inhabitants, it obtained independence from Britain in 1984. The country is recognised by all nations and international organisations. Crude oil and natural gas production accounts for over half of national income. Around 63% (of 0.18m) of the workforce is engaged in industry, 33% in services, and 4% in agriculture. A number of large and small enterprises operate in the country. A count revealed a total of 465 such domestic and foreign enterprises. Of these, a sample size of 214 was selected². In many instances, HR directors spent time with the authors to clarify questions before they completed the questionnaire. Cross checks reveal data to be consistent and reliable. Postal and face-to-face follow-ups yielded 151 usable replies amounting to a response rate of 70%. Having such a high response rate is noteworthy and meets the criteria suggested for applied research (Moser and Kalton, 1985). A number of similar studies comparing HR practices of organisations have also used similar methodology (see e.g., Bae *et al.*, 1998; Hsu and Leat, 2000; Budhwar and Boyne, 2004). Of these 151 replies, 88 were from DEs (60%) and 63 were from multinational organisations (40%).

The questionnaire had eight sections that inquired about various aspects including the role of the HR director; recruitment, training, and retention; appraisals, incentives, and rewards; corporate culture; information on the domestic workforce; and company performance. This paper is based on the section on recruitment, training, and retention and data from first two sections on controls.

² Based on the formula to determine sample size, $n = \frac{N}{1+N(e)^2}$ where N is the population size and e represents the confidence level.

Construction of variables

Recruitment variables used in this paper asked HR directors about the importance that was placed on qualifications and personal characteristics (7 questions each on a Likert scale of 1-5) and the importance of internal and external recruitment to various posts (3 questions) (see Table-1 for details). Six questions were asked on managing senior executive succession (Table-2). The training methods section asked six questions (Table-3). Questions on performance criteria explored eight questions (Table-4). The age and size of organisations were used as control variables. Older firms were defined as those established for 15 years or more. Following European Commission guidelines (2003), firms with more than 50 employees was defined as of large size.

Methods

The sample replies were demarcated into DEs and MNEs. The term MNEs has been defined broadly to include all companies with foreign ownership, majority or minority including joint ventures (JVs). JVs with varying degrees of foreign equity participation are an essential means of gaining entry, as Brunei does not always permit 100% foreign equity ownership. However, as is well known, even with minority ownership, a degree of control over an enterprise can be exercised via clauses in management contracts and the terms of the joint venture. As a result, when conducting an ANOVA test, as expected, we found the two groups (MNEs and JVs with foreign equity participation) to have similar characteristics, permitting us to classify them in one group.

Before undertaking empirical work, data was screened for any inaccuracies. The effects of any missing data, outliers, and assumptions underlying multivariate techniques were assessed and data was found to be consistent for subjecting to statistical analysis. Research questions emanating from the literature review and leading to testable hypotheses required that, through the use of a statistical methodology, we may be able to clearly discern the differences between the recruitment, training, and retention practices of DEs and MNEs. Thus, it was decided that the t-test (described below) be adopted for each of the practices, and also to verify the Internal (Horizontal) Fit of HR Practices. However, before we could do this, we had to apply Levene's test to ascertain whether the variances were different for the different

groups. Levene's criterion (Levene, 1960) tests the null hypothesis that the difference in variances in different groups is zero. The test works on the deviation scores, which is the absolute difference between each score and the mean of the group where it came from (Glass, 1966). The formula for Levene's test can be defined as follows:

$$W = \frac{(N - k) \sum_{i=1}^k N_i (Z_i - Z_{..})^2}{(k - 1) \sum_{i=1}^k \sum_{j=1}^{N_i} (Z_{ij} - Z_i)^2}$$

Where W is the result of the test and k represents the number of different groups to which the samples belong. N is the total number of samples and N_i is the number of samples in the i th group. Y_{ij} is the value of the j th sample from the i th group.

$$Z_{ij} = \begin{cases} |Y_{ij} - \bar{Y}_i| \\ |Y_{ij} - \tilde{Y}_i| \end{cases} \quad \bar{Y}_i \text{ is a mean of the } i\text{th group whilst } \tilde{Y}_i \text{ is a median of the } i\text{th group.}$$

$Z_{..}$ is the mean of all Z_{ij} (i.e. $Z_{..} = \frac{1}{N} \sum_{i=1}^k \sum_{j=1}^{N_i} Z_{ij}$) and Z_i is the mean of the Z_{ij} for group i (i.e. $Z_i = \frac{1}{N_i} \sum_{j=1}^{N_i} Z_{ij}$). If Levene's test is significant at $p \leq 0.05$, we can conclude that the null hypotheses are incorrect and that the variances are significantly different where the assumptions of homogeneity of variances are violated. If the test is insignificant ($p > 0.05$), the variances are roughly equal and the assumption is tenable. The results of Levene's test allows for adjustments to be made in subsequent tests when variances in experimental groups are found to be unequal. The independent t-test looks at the differences between groups and the formula arrived at to conduct it. It also takes into account the unequal number of participants in each group (in our case, DEs vs. MNEs) as the variance of each sample can be weighted. The t statistic can be stated as:
$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{s_p^2}{N_1} + \frac{s_p^2}{N_2}}}$$

5. Results

Recruitment issues

Table-1 lists the level of importance HR managers placed on qualifications and personal traits in recruiting new employees. The table also lists the importance of internal and external recruitment to various posts in the company. The Mean column shows that, on average, MNEs placed higher emphasis on all the attributes of personal qualifications. The higher mean for MNEs is also statistically significant for all seven attributes but one—'wide range of experience'. MNEs seem to place particular emphasis on 'language' (Md = -0.502, $t = -3.574$, $p < 0.000$), followed by experience in similar jobs and professional qualifications.

With regard to personal characteristics, the mean differences for all the attributes are markedly higher for MNEs and these higher mean differences are also statistically significant at .01 levels. It seems that MNEs place markedly more emphasis on a candidate's willingness to travel, devotion to task, self motivation, potential to grow with the job, independent judgment, commitment to the company, and willingness to learn. These results support H1 which stated that the recruitment criteria would be more stringent in MNEs than DEs.

TABLE-1 ABOUT HERE

The last three rows of Table-1 report the relative importance of internal and external recruitment to various posts in the company. The Likert scale ranged from 1 – 5 (1 being entirely internal and 5 entirely external). Here the DEs lead the mean score over MNEs when it comes to senior manager (reporting to chief executive) appointments, and junior manager (supervising operatives) appointments. The higher mean for these two attributes tells us that when it comes to such appointments, DEs rely more on internal appointments than external, and that this reliance is statistically significantly higher for DEs. No statistically significant difference is seen when it comes to the appointment of a professional specialist.

Table- 2 presents the responses to the question 'please indicate your views on managing senior executive succession?' The response was on a 1-5 scale with 5 indicating total agreement. The striking result in this table is the opposite views held by two genres of enterprises. MNEs seem to believe in open market appointments ($Md = 0.886$, $t = 5.216$, $p < 0.00$) and DEs in internal appointments ($Md = -0.429$, $t = -2.148$, $p < 0.01$). The significant reliance of DEs on non-executive directors to play a dominant role in selecting executive successors also supports this result which confirms H2.

TABLE-2 ABOUT HERE

Training Issues

Table 3 presents the response to question 'what are the most applicable methods of training new employees in junior management?' The responses were coded on a 1-5 scale with 5 as the most applicable method. Three methods stand out on which MNEs rely significantly more than DEs. These are: 'buddy system mentoring' ($Md = -0.560$, $t = -3.104$, $p < 0.00$), 'work placement with partners' ($Md = -0.472$, $t = -2.572$, $p < 0.00$) and 'induction by

socialisation' ($Md = -0.448$, $t = -2.268$, $p < 0.01$). These results show support for H3, and stronger support for H4 in that MNEs place more emphasis on training as a whole which has a higher mean on all methods. MNEs also emphasise a stronger work culture as shown by the significant statistical differences in 'induction by socialisation', 'work placement with partners' as well as the 'buddy system / mentoring'.

TABLE-3 ABOUT HERE

Internal Career Opportunities

Table 4 reports the results of the question posed to HR directors 'please indicate the main criteria of individual or group performance used in assessing cases for promotion?' Eight alternatives were offered on a 1-5 scale with 5 standing for most applicable. Interestingly, looking at the mean responses and those that are statistically significant, there does not seem to be a great deal of difference in responses from MNEs and DEs, save for marginally more emphasis that MNEs pay to technical skills ($Md = -0.299$, $t = -1.959$, $p < 0.05$) 'keeping within budget' ($Md = -0.209$, $t = -1.452$, $p > 0.05$), and 'professionalism' ($Md = -0.188$, $t = -1.433$, $p > 0.05$). This lends only partial support for H5 that stated that MNEs will employ much more stringent criteria for promotion.

TABLE-4 ABOUT HERE

HR-related outcomes: Retention / Turnover rate

A straightforward question on the turnover rate of employees was posed to understand the attrition rate and if it was higher or lower for MNEs vs. DEs. We took an attrition rate of 1-3% to be on the lower side and compared results for the two genres of enterprise. The results reported in Table-5 indicate that the attrition rate is significantly lower for MNEs than DEs ($Md = 1.084$, $t = 3.768$, $p < 0.05$). This result is totally in tune with H6.

TABLE-5 ABOUT HERE

Size and age of the enterprise

The results presented thus far do not account for the size and age of the firm. It is probable that the significant results may cease to be significant when the sample firms are divided into groups of different sizes. Similarly, it is possible that older firms have a different work culture and treat their employees differently. It was thus decided to analyse the significant results with sample firms divided into two group sizes and ages. Table-7 present an analysis based on two sample sizes: small (firms with up to 50 employees) and large (firms with more than 50 employees). Table-8 examines the results with sample sizes divided into two age groups: one group of firms who have been established during the past 14 years and the second group comprising firms established for over 15 years. The results are remarkable in that significant results stay significant for all the young firms and only for selected traits for older firms. For example, for older firms, the importance of language ($Md=-0.429$, $t=2.32$, $p<.05$); and commitment ($Md=-0.484$, $t=3.59$, $p<.00$) stand out. Similarly, training via the buddy system ($Md=-0.474$, $t=2.08$, $p<.05$); and external appointments for senior posts' selection ($Md=-0.72$, $t=3.51$, $p<.00$) stand out. With regard to the size of the firms, the previous results largely seem to hold much more for smaller firms than larger firms. Larger firms seem to place emphasis on employees' willingness to travel ($Md=-0.858$, $t=-3.245$, $p<.00$); and work experience in other countries ($Md=-0.67$, $t=2.80$, $p<.00$) as the main recruitment criteria. Large firms also believe in external appointments for senior positions ($Md=0.918$, $t=3.66$, $p<.00$).

TABLE- 6 ABOUT HERE

TABLE-7 ABOUT HERE

6. Extension of Basic Results: the Internal (Horizontal) Fit of HR Practices

Having only considered, analysed and compared the HR practices at an individual or item level in the previous analysis, we now assess whether the HR practices are integrated and coherent as a whole in DEs and MNEs in the context studied. For us to be able to do so, we first deal with HR practices as composite variables, where each practice reflects all its related items. We then assess the internal or horizontal fit between HR practices to examine whether they work together as an integrated bundle or system of practices. Importantly, some researchers have assessed the bundles or synergies (the internal or horizontal fit) of the whole HR practices in HRM studies. In recent literature, the internal consistency or bundling of HR practices has been one of the core theoretical concerns in HRM. The discussion centres on

whether HR practices should be integrated or incorporated as a coherent system of practices that are mutually supportive (Delery, 1998), which can be best represented by bundling the HR practices. However, the measurement is still a matter of debate amongst HRM researchers (Guest, 2011; Singh *et al.*, 2012). It is commonly assumed that HR bundles or complementarities must be more than simply the additive sum of each practice's independent effects (Macky & Boxall, 2007). Instead, the concept of the internal fit of HR practices implies that such practices must have a synergistic or a mutual association which can be statistically reflected by the interaction terms test (Huselid, 1995; Wood, 1999; Macky & Boxall, 2007). Therefore, HRM scholars who have investigated such arguments consider the interaction terms amongst HR practices as the best indicator of HR practices as a coherent system. As suggested by researchers who have examined the internal fit of HR practices (e.g., Huselid, 1995; Delaney & Huselid, 1996; Macky & Boxall, 2007; Wood & Menezes, 2008), we examine the potential of complementarities or the internal fit in terms of interactive relationship amongst HR practices. We test the two-way interaction terms amongst HR practices for both DEs and MNEs separately with the aim of exploring in which set of enterprises HR practices are more or better integrated and coherent as whole.

Table 8 first lists the overall level of importance HR managers placed on the HR practices of recruitment and selection, training, and internal career opportunities. The Mean column shows that MNEs placed higher emphasis on all these HR practices. Markedly, the higher mean for MNEs is also statistically significant for the HR practices of recruitment and selection ($Md = -4.256$, $t = -2.621$, $p < 0.01$), and training ($Md = -1.630$, $t = -2.621$, $p < 0.01$); however, the difference is not significant for the HR practice of internal career opportunities. The second part of Table 8 also highlights the internal fit amongst the HR practices. Our results show that HR practices can be better integrated, and are coherent as a bundle or system of practices in MNEs compared to DEs. All results in Table 8 are statistically significant in support of better internal consistency in MNEs.

As stated earlier, the idea of internal consistency amongst HR practices is one of the core theoretical concerns in HRM. However, little progress has been made in this regard (Guest, 2011). Notably, HRM researchers believe that such powerful and logical combinations can have great impacts on the bottom-line issue within the organisation. Therefore, future comparative HRM works could retain a focus on this issue and also go further by developing some form of links between different bundles of HR practices with different business

strategies (examining the external or vertical fit). Some researchers have suggested that organisations may have different bundles of practices that can perfectly work with different types of business strategies, which, at the end, can lead companies to perform better (Delery & Doty, 1996; Razouk, 2011). We recommend that future comparative HRM work can go further than simply comparing individual HR practices, and instead conduct comparisons in terms of the bundles of practices, and also link such practices with business strategies, and assess the impacts of these bundles on organisational performance through comparative means. For instance, some HRM researchers (e.g., Youndt *et al.*, 1996; Hoque, 1999) have found that the positive relationship between HRM practices and the overall performance of the companies is dependent on the fit between HR practices and the business strategy. In this paper, we have not considered the DEs and MNEs business strategies in terms of investigating their association with the studied HR practices. This could be an area of investigation in future studies.

TABLE-8 ABOUT HERE

7. Discussion, Synthesis and Conclusions

The purpose of this paper was to study the behavioural differences in the recruitment, training and retention practices of domestic versus multinational enterprises in the country of Brunei Darussalam. There is scant literature that compares the comparative aspects of these practices and none so in the country context of Brunei. Based on a survey of available literature and generally held beliefs, hypotheses were developed whereby MNEs were predicted to be much more stringent in their recruitment and training practices of new recruits and rigorous with promotion practices. On balance we found this to be true. In addition, it also transpires that younger firms, established in last decade or so, and smaller firms, are likely to carry out these practices more rigorously than larger and older established firms. These results, without ambiguity, confirm the importance of the three HR practices for MNEs examined in this paper. The findings highlight the state of development as well as the nature of either individual organisations or the country as a whole (Rowley and Benson, 2002). Some of the results are better illustrated when we look at the HR practices individually. The differences seen between DEs and MNEs with regard to the recruitment and selection process can be due to differences between these enterprises, and possibly attributable to the nature of globalisation. This echoes results obtained by Myloni *et al.* (2004) who found selection

methods in domestic companies lagging behind multinationals in Greece. These differences are also reflected in the findings of Huang (2000), albeit in a more eastern versus western context. His results showed distinct contrasts in most HR practices including staffing, training, and career path design, between western MNEs and companies based in the East including domestic Taiwanese companies. In the case of the present study, the finding that DEs lag behind MNEs could also relate to an interesting implication. In the HRM literature, researchers have mostly focused either on the universalistic or the contingency approaches when they study the HR practices. The universalistic approach has an ideal group of ‘best practices’ that are supposed to continuously generate superior organisational performance—regardless of the circumstances and the industry—whilst the contingency theory states that HR practices will be always dependent on the environment, context, or the circumstances surrounding the organisation, and that they can be changed upon. Notably, our results give more support to the ‘contingency approach’ than the ‘best practices’ approach. We can see that the same HR practices in DEs are different and lag behind those found in MNEs. This difference may be attributed to the effects of the different non-Western cultural context, as well as circumstances surrounding the DEs in the country of Brunei. Such results tell us that we cannot only consider the studied HR practices as best practices, regardless of the environment or the industry, as stated by some scholars (e.g., Huselid, 1995; Pfeffer, 1998).

Additionally, there could be other reasons why the results of this paper support MNEs’ focus on internal recruitment when compared with domestic organisations. One reason could be the quality of the domestic workforce. MNEs may not rate the quality of the domestic workforce very highly; internal recruitment could also mean the placement of expatriates into higher positions in the organisation to smoothly oversee operations. The use of expatriates by MNEs in this case are in tune with the findings of Shen and Edwards (2004), who found that expats were used to control the coordination of international activities and oversee subsidiary operations and administrative and financial aspects of the organisation. Another reason for the disparity between domestic companies and MNEs is the culture of the host country. If the host country ranks highly on the collectivism scale, these cultures may prefer to use the internal labour market as it promotes loyalty to the firm (Budhwar and Khatri, 2001). As internal recruitment is susceptible to cultural differences, MNEs may have to adjust towards the domestic environment, as is also evident in the findings of Myloni *et al.* (2004), with the result that DEs rely heavily on the internal labour market and MNEs on the external labour market.

The results obtained in this paper also found support for the proposed hypotheses on training methods and although the statistical differences on its importance is higher for MNEs, the mean score emphasising the importance of training for DEs comes out to be high as well. This shows that both sets of enterprises rank the importance of training their employees highly. Informal training methods, as opposed to formal methods (Wright *et al.*, 2002), seem to be popular with both types of enterprise. This is in line with the findings of convergence hypotheses (Myloni *et al.*, 2004; Carr and Pudelko, 2006; Ayndinli, 2010). They are also indirectly in tune with the findings of Zheng *et al.* (2007) which showed a concern about the relevance and quality of training programmes administered externally. It seems that the benefits that training can bring to organisational performance, especially in Asia (see Osman-Gani and Jacobs, 2005; Jaw *et al.*, 2006; Bao and Analoui, 2011), have increased the adoption of popular, informal training methods. This supports arguments by Von Glinow *et al.* (2002) and Schuler and Jackson (2005) whereby the best HRM practices tend to be shared and are used globally. The reasons for the mean results on training methods being statistically significantly higher for MNEs could also reflect the defeatist culture sometimes inherent in small host countries. DEs may find competition with MNEs too intense to devote effort to train their labour only for it to be poached by MNEs. In a study, Lawler *et al.* (1995) observed that Asian firms find employee training to be risky and costly as there are no immediate returns and these trained employees may leave before any benefits can be realised.

These results obtained showed partial support for the hypothesis on internal career opportunities leading to executive succession. Unlike the criteria for recruitment, this issue has not been deeply explored in HRM literature. However, its importance has been highlighted by various authors such as Delery and Doty (1996) and Joseph and Dai (2009) who found positive connections between internal opportunities and organisational performance measures. Here, we found that MNEs prefer to avoid competition between internal candidates by 'preparing' one person well in advance, probably to maintain harmony and avoid disruption which can impact on performance. Results also showed that DEs, on the other hand, preferred external appointments for executive succession which could bring new ideas into the system. Compared to DEs, MNEs reliance on sound individual technical skills for promotion purposes displays their preference for technically sound employees in senior positions. This is probably due to the pressure of global business in which employees with sound technical skills (particularly in manufacturing concerns) tend to perform better than

employees lacking such skills. One issue that we did not set out to test but which we believe is worth touching upon here is the recent interest in ‘talent management’ in enterprises (Vaiman & Vance, 2008; Inskip & Hall, 2008). In this paper, we have examined three essential components of talent management, which also include additional strands, such as replacement planning, leadership development, and mentoring. Such issues, grounded in the strategic human resource management literature, are intended to engage employees to retain them in the company, and can be key elements in leveraging competitive advantage (Gratton, 2000; Becker, Huselid & Ulrich, 2001). Our results in this paper show that MNEs are more strategic than DEs in terms of recruitment, training, and retention issues. Their implicit emphasis on these issues might have the undercurrent of effective talent management with a view to keep them in their organisations. Indirect evidence of this was also found in this paper in results that showed statistically significant findings on the lower rate of turnover of employees for MNEs. This is consistent with the theoretical and empirical work to date on HRM as researchers have proven that effective HR practices could lead to a lower turnover rate (e.g., Huselid, 1995; Guthrie *et al.*, 2009). The results are not in tandem with Wood *et al.*'s (2006) results which showed no relationship between the practices and employee turnover.

Contribution

This paper highlighted the gap in the literature on comparative studies of HR practices between DEs and MNEs, particularly in the context of small, emerging economies. The examination of these HR practices has been conducted looking at the practices as individual groups and not as one block to avoid obscuring any important differences (Myloni *et al.*, 2004). It is likely that these differences in HR practices come about due to differences in national culture, external organisational factors such as regulation by government institutions, internal organisational factors such as organisation size and ownership type, as well as the national view of HR within a country which can encompass historical competence, the role of HR and its development (Sparrow and Hilltrop, 1994). The support of two hypotheses proposed in this paper shows a divergent view when it comes to the importance of HR in DEs and MNEs, with the HR systems of DEs still lagging behind the more developed systems of the MNEs. As the comparisons made in this paper of the recruitment and selection, training and internal career opportunities in domestic and multinational organisations have shown, there is a clear difference in the practices adopted by these two genres of enterprise. Previous

studies conducting comparisons on the HR practices in domestic and multinational companies have obtained varying results depending on the focus of the study as well as the context in which they have been conducted. Studies looking at labour relations have yielded both convergent and divergent results. Studies in developing or newly developed countries have also found divergent results (Myloni *et al.*, 2004; Chen *et al.*, 2005). However, the findings of this paper should not be taken as a case of ‘reverse diffusion’ (Hayden and Edwards, 2001), in which MNEs perceive their home systems as inferior to the host country standards and would be unable to transfer effectively to their subsidiaries. This difference echoes the findings of many authors comparing the HRM practices in DEs and MNEs such as Papalexandris (1987) who found more sophisticated HR practices in foreign companies directed by their overseas headquarters; and Purcell (1987) who found MNEs focusing on getting higher commitment from their employees. Yuen and Kee (1993) saw more extensive and formal HR practices used by US multinationals in their comparisons. Authors such as Geary and Roche (2001) have also identified differences in HR practices when comparing DEs and MNEs, be it through the dominance of ‘country of origin’ over ‘host country effects’ or changes in host country institutional policies and practices. The findings of this paper contrast with those of Guest and Hoque (1996), Myloni *et al.* (2004) and Chen *et al.* (2005) who finds similarities in the HR systems used by DEs and MNEs, finding convergence due to the ‘culture sensitive view’.

Limitations and avenues for further research

In spite of the contributions this study makes to the literature, researchers acknowledge some of its limitations. By using a sole respondent, that is the HR director from each organisation, the present study could suffer in respect of the accuracy of their perceptions. Though it is extensively utilised in research, the ‘key informant approach’ can produce problems in the form of common method variance. Resources permitting, this could be improved upon by aiming for other managers to check the accuracy of their opinions. Fortunately, in this case, tests were performed to check for the presence of common method variance and these tests showed that this would not be a major concern. Second, this study looks at the individual HR practices involved in ‘work flow’ (recruitment and selection, training and development, internal career opportunities). Although looking at these practices individually has been done in previous studies (e.g. Chen *et al.*, 2005; Myloni *et al.*, 2004), we are beginning to identify linkages between the individual practices explored in this paper. These linkages could also

extend to other HR practices such as incentives and rewards and performance appraisals as well as the performance indicators of these enterprises. Further exploration of these linkages should be done in the future to add to the existing body of literature. There is also a scope for future research into the types of HR practices relevant for the different sectors and industries so as to determine the effectiveness of HR practices in different sectors. Our analysis is at the aggregate level. An additional number of HR practices can also be added to those analysed in this paper.

Implications

This paper recognises the benefits associated with effective and efficient recruitment and selection practices and policies utilised by organisations when selecting the right employees for the jobs; these are critical to their success. The misuse of this practice can lead to undesirable HRM outcomes, such as demoralised and demotivated employees, which are costly to all organisations. Further, during the final stage of the recruitment and selection process, HR directors should consider candidates' potential, whereby qualifications, characteristics and work-related values and attitudes would most closely fit into the requirements of the offered positions, as well as those who can fit well with the organisation's needs and culture. This can effectively ensure that required tasks are carried out as expected, and harmony with colleagues is established. Our results show that MNEs in Brunei face lower turnover rates than DEs operating in the same context, and that MNEs have better HR practices than DEs. These practices include more stringent recruitment and selection policies, better training systems, and more internal career opportunities. Taking a cue from this, organisations are therefore able to reduce employee turnover at the start of an employee's career by ensuring a good fit between individual and organisational culture at the recruitment stage through more stringent processes, such as focusing on the quality of their qualifications. Likewise, extensive formal training can lower the percentage of employees leaving each year. Additionally, organisations that promote from within and actively prepare their employees for higher positions would improve employee turnover rates which organisations face annually.

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Table-1: Recruitment criteria and internal/external recruitment preferences

Serial No.	Recruitment Criteria	Organisation	Mean	Mean Difference (Md)	Std. Deviation	t-test statistic	Significance
1	Qualifications	2	3	4	5	6	7
1	School and university	DEs MNEs	3.99 4.22	-0.234	0.903 0.941	-1.540	0.063*
2	Professional qualifications	DEs MNEs	3.97 4.27	-0.304	0.952 0.937	-1.947	0.027**
3	Experience in similar jobs	DEs MNEs	4.22 4.48	-0.260	0.837 0.644	-2.159	0.016**
4	Wide range of experience	DEs MNEs	3.83 3.97	-0.139	0.887 0.950	-0.920	0.180
5	Experience in other countries	DEs MNEs	3.31 3.65	-0.344	1.054 1.194	-1.870	0.032**
6	Language	DEs MNEs	3.78 4.29	-0.502	0.915 0.750	-3.574	0.000***
7	Presentation	DEs 8MNEs	3.93 4.14	-0.211	0.920 0.998	-1.342	0.091*
Personal Characteristics							
1	Willingness to travel	DEs MNEs	3.30 3.95	-0.657	1.146 1.099	-3.533	0.001***
2	Devotion to task	DEs MNEs	4.16 4.49	-0.333	0.981 0.644	-2.515	0.007***
3	Self motivation	DEs MNEs	4.18 4.59	-0.405	0.941 0.586	-3.255	0.001***
4	Potential to grow with the job	DEs MNEs	4.00 4.44	-0.444	1.028 0.778	-2.888	0.002***
5	Independent judgement	DEs MNEs	4.01 4.44	-0.433	0.941 0.616	-3.195	0.001***
6	Commitment to the company	DEs MNEs	4.27 4.71	-0.442	0.893 0.580	-3.678	0.001***
7	Willingness to learn	DEs MNEs	4.31 4.62	-0.312	0.862 0.658	-2.522	0.007***
Internal / External Recruitment							
1	Senior manager reporting to Chief Executive	DEs MNEs	2.82 2.19	0.628	1.327 1.134	3.043	0.002***
2	Junior Manager supervising operatives	DEs MNEs	2.77 2.49	0.281	1.111 0.965	1.615	0.054*
3	Professional specialist	DEs MNEs	3.35 3.60	-0.251	1.260 1.302	-1.190	0.118

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-2 Preferred planning for senior positions

N o.	Response to question: ‘please indicate your views on managing senior executive succession?’	Organisation	Mean	Mean Difference (Md)	Std. Deviation	t-statistic	Significance
1	2	3	4	5	6	7	8
1	‘External Appointments are, in general, desirable because they bring in new blood’.	DEs MNEs	3.73 2.84	0.886	0.979 1.096	5.216	0.000***
2	‘In our case external appointments are undesirable because our company is so large that outsiders cannot understand its complexities’.	DEs MNEs	2.47 2.68	-0.217	1.144 1.468	-0.978	0.165
3	‘Competition between internal candidates should be avoided by "preparing" one person well in advance’.	DEs MNEs	2.84 3.27	-0.429	1.249 1.153	-2.148	0.017**
4	‘Non-executive directors should play a dominant role in selecting executive successors’.	DEs MNEs	2.68 2.97	-0.286	1.228 1.270	-1.394	0.083*
5	‘Appointments are made by the Board of Directors or an equivalent’.	DEs MNEs	3.30 3.14	-0.153	1.366 1.293	0.692	0.245

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-3: Training methods

Training methods for junior management	Organisation	Mean	Mean Difference (Md)	Std. Deviation	t-statistics	Significance
1. Formal instruction within the company	DEs MNEs	4.20 4.29	-0.81	0.912 0.941	-0.532	0.298
2. Training provided by third party	DEs MNEs	3.44 3.51	-0.065	1.221 1.294	-0.313	0.377
3. Induction by socialisation	DEs MNEs	3.25 3.70	-0.448	1.196 1.200	-2.268	0.013**
4. Learning by doing	DEs MNEs	3.25 3.25	-0.004	1.177 1.177	-0.020	0.492
5. Work placement with partners	DEs MNEs	2.91 3.38	-0.472	1.100 1.128	-2.572	0.006***
6. Buddy system / mentoring	DEs MNEs	3.17 3.73	-0.560	1.224 0.987	-3.104	0.001***

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-4: Preferred criteria for internally filling Posts

No.	Preferred Criteria	Operation level	Mean	Mean Difference	Std. Deviation	t-statistics	Significance
1	Contribution to profit	DEs MNEs	3.91 3.94	-0.027	0.978 0.821	-0.181	0.426
2	Value of output (independent of profit margin)	DEs MNEs	3.89 3.94	-0.050	0.928 0.821	-0.343	0.366
3	Quality of output	DEs MNEs	4.16 4.29	-0.127	0.829 0.682	-0.995	0.161
4	Keeping within budget	DEs MNEs	3.65 3.86	-0.209	0.885 0.859	-1.452	0.074*
5	Effort (independent of final result)	DEs MNEs	4.06 4.24	-0.181	0.889 0.797	-1.289	0.100*
6	Overall professionalism	DEs MNEs	4.11 4.30	-0.188	0.836 0.733	-1.433	0.077*
7	Deliverables	DEs MNEs	4.14 4.19	-0.054	0.833 0.859	-0.389	0.349
8	Individual competency level (technical)	DEs MNEs	3.95 4.25	-0.299	1.016 0.782	-1.959	0.026**

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-5: Turnover rate

	Organisation	Mean	Mean Difference (Md)	Std. Deviation	t-statistics	Sig.
Turnover rate	DEs MNEs	2.91 1.83	1.084	1.969 1.561	3.768	.000***

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-6: Recruitment and selection, training, and internal opportunities considering firm age

	Operation level	Mean	Mean Difference	Sig.	t-statistic	Mean	Mean Difference	Sig.	t-statistic
Routine Criteria		Young Firms (0 – 14 yrs)				Older firms (15 yrs and above)			
Experience in similar job	DEs MNEs	4.09 4.59	-0.499	0.015**	-2.500	4.29 4.39	-0.103	0.505	-0.670
Experience in other countries	DEs MNEs	3.03 3.70	-0.672	0.033**	-2.191	3.46 3.61	-0.147	0.521	-0.644
Language	DEs MNEs	3.72 4.33	-0.615	0.007***	-2.791	3.82 4.25	-0.429	0.022**	-2.326
Personal Characteristics		Young Firms (0 – 14 yrs)				Older firms (15 yrs and above)			
Travel	DEs MNEs	3.22 4.33	-1.115	0.000***	-3.707	3.34 3.67	-0.327	0.162	-1.408
Dedication to task	DEs MNEs	3.91 4.63	-0.723	0.003***	-3.146	4.30 4.39	-0.085	0.615	-0.505
Self motivation	DEs MNEs	3.97 4.52	-0.550	0.016**	-2.495	4.30 4.64	-0.335	0.025**	-2.273
Grow with the job	DEs MNEs	3.81 4.48	-0.669	0.005***	-2.927	4.11 4.42	-0.310	0.137	-1.499
Independent judgement	DEs MNEs	3.94 4.44	-0.507	0.019**	-2.423	4.05 4.44	-0.391	0.017**	-2.434
Commitment	DEs MNEs	4.19 4.59	-0.405	0.074*	-1.819	4.32 4.81	-0.484	0.001***	-3.590
Internal / external recruitment		Young Firms (0 – 14 yrs)				Older firms (15 yrs and above)			
Senior manager to chief executives	DEs MNEs	2.91 1.93	0.980	0.005***	2.906	2.77 2.39	0.379	0.141	1.484
Training		Young Firms (0 – 14 yrs)				Older firms (15 yrs and above)			
Induction by socialisation / imitation	DEs MNEs	3.09 4.00	-0.906	0.006***	-2.845	3.34 3.47	-0.133	0.597	-0.531
Placement	DEs MNEs	2.66 3.33	-0.677	0.024**	-2.318	3.05 3.42	-0.363	0.127	-1.540
Buddy system	DEs MNEs	2.94 3.67	-0.729	0.027**	-2.273	3.30 3.78	-0.474	0.040**	-2.085
Internal opportunity		Young Firms (0 – 14 yrs)				Older firms (15 yrs and above)			
Technical	DEs MNEs	3.72 4.26	-0.541	0.038**	-2.129	4.09 4.25	-0.161	0.387	-0.870
Senior success		Young Firms (0 – 14 yrs)				Older firms (15 yrs and above)			
External appointment	DEs MNEs	3.69 2.59	1.095	0.000***	3.744	3.75 3.03	0.722	0.001***	3.511

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-7: Recruitment and selection, training, and internal opportunities by firm size

	Operation level	Mean	Mean Difference	Sig.	t-statistic	Mean	Mean Difference	Sig.	t-statistic
Routine Criteria		Small Firms (0 - 50 employees)				Large firms (51 employees and above)			
Experience in similar job	DEs	4.14				4.32			
	MNEs	4.55	-0.405	0.014**	-2.505	4.40	-0.084	0.662	-0.440
Experience in other countries	DEs	3.32				3.29			
	MNEs	3.36	-0.044	0.870	-0.164	3.97	-0.677	0.007***	-2.799
Language	DEs	3.88				3.66			
	MNEs	4.33	-0.453	0.009***	-2.664	4.23	-0.575	0.016**	-2.473
Personal Characteristics		Small Firms (0 - 50 employees)				Large firms (51 employees and above)			
Travel	DEs	3.26				3.34			
	MNEs	3.73	-0.467	0.075*	-1.803	4.20	-0.858	0.002***	-3.245
Dedication to task	DEs	4.10				4.24			
	MNEs	4.55	-0.445	0.014**	-2.517	4.43	-0.196	0.350	-0.941
Self motivation	DEs	4.12				4.26			
	MNEs	4.61	-0.486	0.003***	-3.051	4.57	-0.304	0.132	-1.524
Grow with the job	DEs	3.88				4.16			
	MNEs	4.42	-0.544	0.015**	-2.483	4.47	-0.309	0.132	-1.526
Independent judgement	DEs	3.90				4.16			
	MNEs	4.48	-0.585	0.003***	-3.116	4.40	-0.242	0.195	-1.311
Commitment	DEs	4.20				4.37			
	MNEs	4.79	-0.588	0.000***	-3.840	4.63	-0.265	0.178	-1.363
Willingness to learn	DEs	4.30				4.32			
	MNEs	4.70	-0.397	0.019**	-2.396	4.53	-0.218	0.278	-1.095
Internal external recruitment		Small Firms (0 - 50 employees)				Large firms (51 employees and above)			
Seniors manager to chief executive	DEs	2.82				2.82			
	MNEs	2.24	0.578	0.047**	2.022	2.13	0.682	0.027**	2.257
Quality of domestic managers	DEs	2.98				3.11			
	MNEs	2.73	0.253	0.200	1.293	2.33	0.772	0.001***	3.486
Training		Small Firms (0 - 50 employees)				Large firms (51 employees and above)			
Induction by socialisation / imitation	DEs	3.22				3.29			
	MNEs	3.52	-0.295	0.264	-1.125	3.90	-0.611	0.047**	-2.026
Placement	DEs	3.12				2.63			
	MNEs	3.67	-0.547	0.025**	-2.279	3.07	-0.435	0.112	-1.611
Buddy system	DEs	3.30				3.00			
	MNEs	3.88	-0.579	0.020**	-2.370	3.57	-0.567	0.053*	-1.972
Senior success		Small Firms (0 - 50 employees)				Large firms (51 employees and above)			
External appointment	DEs	3.76				3.68			
	MNEs	2.91	0.851	0.000***	3.643	2.77	0.918	0.001***	3.659
Appointed by Board of Directors	DEs	3.14				3.50			
	MNEs	3.61	-0.466	0.113	-1.604	2.63	0.867	0.008***	2.718

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level

Table-8 HR practices as an integrated and coherent system

Serial No.	HR practices as a whole	Organisation	Mean	Mean Difference (Md)	Std. Deviation	t-test statistic	Significance
1	2	3	4	5	6	8	7
HR Practices							
1	Recruitment and Selection	DEs MNEs	79.20 83.46	-4.256	10.492 8.846	-2.621	0.010**
2	Training	DEs MNEs	20.23 21.86	-1.630	3.900 3.573	-2.621	0.010**
3	Internal Career Opportunities	DEs MNEs	31.86 33.00	-1.136	5.222 4.429	-1.403	0.163
The Internal/Horizontal Fit of HR Practices (HR Practices integrated and coherent as a system/bundle of Practices)							
1	Recruitment and Selection with Training	DEs MNEs	1624.32 1841.68	-217.364	451.608 433.027	-2.967	0.004***
2	Recruitment and Selection with Internal Career Opportunities	DEs MNEs	2560.47 2781.19	-220.520	653.384 599.368	-2.116	0.036**
3	Recruitment and Selection with Turnover	DEs MNEs	224.43 148.54	75.892	150.201 121.009	3.433	0.001***
4	Training with Internal Career Opportunities	DEs MNEs	654.44 729.35	-74.906	197.172 187.929	-2.347	0.020**
5	Training with Turnover	DEs MNEs	56.28 38.68	17.602	37.248 32.368	3.092	0.002***
6	Internal Career Opportunities with Turnover	DEs MNEs	89.56 58.89	30.668	59.591 48.959	3.464	0.001***

* Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level