The influence of relation-based and rule-based regulations on hiring decisions in the Australian and Hong Kong Chinese cultural contexts

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Abstract Investigation of the cultural factors that may influence the employment decisions of managers is of increasing importance in the global business environment. The purpose of this research is to examine whether particularistic ties based on friendship influence hiring practices in relation-based (Hong Kong Chinese) and rule-based (Australian) cultural contexts. Three studies were conducted to examine this research question. Results indicate that friendship-based particularistic ties, specifically guanxi and mateship, can influence hiring decisions in both relation- and rule-based cultural contexts. The results of the studies have implications for human resource managers with regards to staffing organizations operating in different cultural contexts.

Keywords Relation-based regulation; rule-based regulation; particularistic ties; hiring decisions.

Introduction With continued globalization and the need to staff organizations in dissimilar cultural contexts, there is a growing need for knowledge about unique cultural characteristics that may influence human resource management practices. This is because human resource management practices, developed primarily in Western cultural contexts in which rule-based governance has long prescribed and proscribed the conduct of business activities, may not be as effective or applicable in cultural contexts where business activities may not be so rule-based. The Chinese cultural context is one that is widely recognized as being relation-rather than rule-based (Hui and Graen, 1997; Li and Filer, 2004; Lin, 2002; Luo, 2000). A cultural phenomenon that reflects the relational basis of Chinese society is guanxi, which refers to the particularistic social ties between people that are cultivated and used for instrumental purposes (Gold, 1985; Jacobs, 1979, 1982; Walder, 1986; Yang, 1994).

Although there is ongoing debate among researchers about whether cultural phenomena, such as guanxi, are unique to the cultural context in which they are developed (Gold et al., 2002; Tsui and Farh, 1997), Guthrie (2002) argued that the more important issue is whether the role of social relations in business activities differs in Chinese cultural contexts compared
with more advanced capitalist economies, where business activities have traditionally been governed by rules (Li et al., 2003; Tsui and Farh, 1997). The purpose of this paper is to examine whether particularistic ties based on friendship influence hiring practices in cultural contexts that vary in terms of relational- versus rule-based business activities, and whether the influence of particularistic ties would be moderated by the degree to which the organizational context is rule-based. Investigation of the influence of rule and relational considerations in hiring decisions of people in different cultural contexts is of practical importance, as this knowledge would assist human resource managers to staff organizations operating in different cultural contexts effectively.

Guanxi

Unlike countries in the West, China's economy and society have been historically guided by guanxi (Cheng and Rosett, 1991; Fried, 1953; Hwang, 1987). This is because of the influence of the writings of the philosopher Confucius, who lived in the 5th to 6th century BC (e.g., Fernandez, 2004; Fu et al., 2004; Tsui et al., 2004). In the Chinese cultural context, for close to two millennia until 1910, Chinese civil servants were selected because of their mastery of the Confucian classics (e.g., Fairbank and Goldman, 1998; Jacobs, 1982). Confucius, who was the progeny of a society scarred by the numerous civil wars of the Warring States period of Chinese history (Fernandez, 2004), reasoned that order and stability in society depend on the existence of particular relationships that promote shared social experiences (King, 1991). Order and stability are achieved through five cardinal relationships or wu lun because a set of role requirements and prescribed behaviour is associated with the five cardinal relationships, violations of which could be followed by severe punishment or expulsion from the network of ties known as guanxi (Jacobs, 1982; Luo, 2000). Guanxi literally means 'relationship' or 'relation', and refers specifically to the set of interpersonal connections or particularistic ties that facilitate the exchange of favours between dyads in the Chinese cultural context (Hwang, 1987). Thus, guanxi ties are based upon wu lun, which, in turn, provide the foundation upon which guanxi networks are built (Hui and Graen, 1997; Redding, 1993). Guanxi, therefore, bonds people according to the specific relationship between them, as the interactions within a guanxi network are stable and predictable and are governed by the principle of mutual obligation whereby fulfilling an obligation to the other is more important than self-interests (Jacobs, 1982).

The basis for guanxi is identification with others, based on relational ties of kinship (e.g., father-son, elder brother-younger brother) or repeated social interaction (e.g., friend, co-worker, classmate) (Farh et al., 1998; Redding, 1993; Tsang, 1998; Tsui and Farh, 1997). Whereas the former is derived from strong family identification and does not include implicit obligations of reciprocity, the latter, defined as 'friendship with implications of continued exchange of favours' (Pye, 1992) is sustained only through interpersonal favour and generosity (Tsui and Farh, 1997).

Taken all together, empirical research on relational ties in the Chinese context suggests that guanxi plays a prominent role in employment practices. Alston (1989) and Wall (1990) suggested that guanxi is critical to understanding organizational outcomes in the Chinese cultural context. Anecdotal evidence supports this claim that guanxi influences Chinese business activity, such as the success of joint ventures (Daniels et al., 1985; Davidson, 1987) as well as other management activities. Chen and Farh (1999) found that Township and Village Enterprises that are collectively owned by local citizens in Mainland China are more likely to hire only from local sources than are Joint Venture Enterprises that are partly owned by foreign (non-Mainland Chinese) partners. Bian (1994, 1997) found that under the former state-controlled system of employment
allocation in China, the only way that individual employees could influence their job placement and mobility was by using their guanxi. Bian and Ang (1997) also found that guanxi was influential in job placements in Singapore, another East Asian society with strong Confucian influences. Wang and Hsiao (2002) found that Taiwanese firms employed professionals from Mainland China in their Vietnamese subsidiary on the basis of guanxi rather than because of the knowledge, skills and abilities possessed by the Chinese professionals. Park and Luo (2001) argued that guanxi is an important competitive resource since Mainland Chinese firms accumulate valuable capital, which they lack, by establishing relational links (guanxi) to other firms that possessed these skills and resources. Li (1993) and Tsui and Farh (1997) concluded that to the Chinese, social relations take precedence over justice. Daniels et al., (1985) go so far as to state that the Chinese value loyalty more than competence, while Luo (2000) argued that personal connections and loyalties are often more important than organizational affiliations or legal standards to the Chinese.

The focus of our research is on guanxi that is based on friendship because, unlike other categories of guanxi, this type of guanxi is unlikely to generate perceptions of procedural injustice in human resource management practices in China (Chen et al., 2004). This suggests that use of this type of guanxi could be widespread and accepted by employees in an organization as it would not generate a negative response from those outside the guanxi network. Friendship-based guanxi is known as shou-jen (Hwang, 1987; Tsui and Farh, 1997). The strength of the friendship is the major determinant of the attitude and behaviour of the individuals in the shou-jen category of guanxi. Because social accommodation and trust underpin this category of guanxi, the reciprocity of favours need not occur in the short term but must occur at some point in time for it to be lasting (Tsui and Farh, 1997). In support of this argument, Farh et al. (1998) found that managers in Mainland China expressed more trust in their connections with business associates who were former classmates than in those who were not.

In contrast to conceptual arguments and empirical evidence supporting the influence of guanxi on business activities in the Chinese cultural context, Bond and Hwang (1986), however, affirmed that the importance of traditional Chinese values, such as guanxi, in Chinese society is diminishing. Tsui et al. (2004) also suggested that communist ideologies as well as economic reforms since 1978, which have brought Western management philosophies and practices into Mainland China, have brought changes to traditional Chinese values and practices. Moreover, Fu et al. (2004) noted that while Confucianism and traditional values provide a degree of stability and certainty regarding appropriate ways to relate to others, there are significant differences in the managerial behaviour of the Chinese in different regions of East Asia. These researchers, for example, noted that the Hong Kong Chinese, after over 150 years of British colonial administration, conduct business according to Western capitalist models and are significantly less collectivist than the Chinese in other regions, such as Mainland China and Taiwan. Since the maintenance of guanxi networks calls for collectivist behaviour only in favour of the members of one's network (Hui and Graen, 1997), being less collectivist implies diminished support for behaviour on the basis of guanxi.

Tsui et al. (2004) stated that dynamic competitive and technological environments as well as workforces that are increasingly exposed to Western management philosophies and practices are providing the impetus for even the Mainland Chinese society to adopt new ways of doing things. Even Luo (2000) concedes that guanxi provides a complement to rather than a substitute for contract law. This means that interpersonal relationships may be increasingly dictated by economic and formal (e.g., legal) considerations rather than the traditional relational ties that underpin guanxi networks.
Guthrie (1998) further argues that research that has provided strong support for the notion that guanxi influences business practices, namely, research that has examined job placements and mobility in China, is flawed because employment seekers are asked to report whether they believed guanxi influenced their success in attaining jobs. The consequence of this information asymmetry is that employment seekers do not know whether particularistic ties played a significant role in their success or failure because they are ignorant of the decision-making process of those who are making the hiring decision. To determine whether particularistic ties play a significant role in hiring decisions, it is the employment decisions made by employment providers, rather than employment seekers, which need to be reported.

Guthrie also contended that it is unsurprising that an individual with qualifications equal to other candidates in the applicant pool would find particularistic ties to be influential in the hiring decision. It is only when particularistic ties influence the hiring decision despite the job-related qualifications of the employment seekers that these ties should be considered as playing a significant role in the hiring decision. In a qualitative study using an interview methodology, Guthrie (2002) found that managers in Mainland Chinese organizations with formal hiring procedures which implicitly took job-related qualifications into consideration reported that their hiring decisions were not influenced by guanxi. Thus, the first hypothesis of this research is as follows:

**Hypothesis 1:** Particularistic ties to an employment seeker whose job-related qualifications are inferior to those of other candidates will not influence the decisions of individuals who make selection decisions in the relation-based, Chinese cultural context.

**Mateship**

Australia is a developed nation with an advanced, Western-style capitalist economy, and a heritage, inherited from the British, of rule by English common law (CIA *World Fact Book*, 2005). As such, the employment and management of employees complies with labour codes. Formal institutions, such as the judiciary, regulate interactions and agreements among individuals and organizations, including those in business. While formal rules, laws and institutions regulate business and daily activities in the Australian cultural context, particularistic ties based on friendship, as in the Chinese cultural context, also have a unique role.

Feather (1986), in his comparative study of Australian and Chinese values, found that both the Australian and Chinese respondents in his sample strongly valued friendship. Feather explained that while friendship may be highly valued by the Chinese because of their culture’s emphasis on ties and obligations to others (that is, guanxi), Australians’ high regard for friendship reflects their culture’s value of mateship. Feather characterizes mateship as ‘a complex mixture of collectivist and equalitarian values, realized at the individual level in companionship, joint activities, sharing, and loyalty to one’s mates, supporting them in an emergency’ (emphasis added) (p. 699). Gammage (1974) argued that ‘mateship was a particular Australian virtue, a creed, almost a religion’. Ashkanasy and O’Connor (1997: 652), who defined mateship as ‘supportive and loyal friendship and includes feelings of belonging and of purpose in life’ performed an exploratory factor analysis and found that mateship did emerge as a uniquely Australian cultural value. Mateship played an instrumental role in shaping Australia into becoming the only European country in Asia with a cultural identity distinct from, yet inclusive of, its founding peoples. These founders include Aboriginals, who had begun to inhabit the Australian continent at least 50,000 years before the arrival of the first British and Irish
settlers arrived in 1788 (Ashkanasky and Falkus, 2005; Nile, 1994; Reynolds, 1994; Trevor-Roberts et al., 2003).

The European settlement of the Australian continent was contingent on trust, respect and dependence on individuals who were not always family members but who shared the same common experience of helping each other to survive in a harsh land (Clark, 1963). These relational ties based on helping and fair-play or egalitarianism were reinforced and entrenched in the Australian cultural context by Lachlan Macquarie, an early governor of one of the Australian colonies, who effectively communicated the necessity for equality and mateship among settlers regardless of their social or economic background by appointing freed convicts to positions of authority (Trevor-Roberts et al., 2003).

Bonds of mateship, first forged among those who tamed the harsh Australian continent, were strengthened again in times of war by Australian soldiers who fought on the side of the British during World War I and II (Nile, 1994). Pivotal battles of these wars, Gallipoli in World War I and Singapore in World War II, were transformational events in defining the Australian cultural identity (Bell, 1973; Marsh, 2005; Nile, 1994). Barnes (1994) explained the significance of mateship to the Australian character by quoting the Australian war historian, C.E.W. Bean, who wrote that the ‘one law which the good Australian must never break’ is to ‘at all times and at any cost stand by his mate’ (p. 43). More recently, Sarros (1992) concluded that mateship is a critical determinant of leadership success in Australia. Mateship is considered so important to the Australian national identity that it was almost institutionalized into the preamble of the proposed amendment to the Australian Constitution in 1999 by Prime Minister John Howard. The Prime Minister stated that ‘Australia should never be a nation defined by class or envy, but rather a nation united by mateship and achievement’ (Davison et al., 2001).

Mateship or Australian particularistic ties, is similar to friendship-based guanxi since trust, respect and dependence also underpin mateship. Also similar to friendship-based guanxi, mateship influences the attitude and behaviour of individuals who are ‘mates’. Finally, the mateship relationship implies instrumental helping and reciprocity, which, like the shou-jen category of guanxi, does not have to be reciprocated in the short-term. More than just job-related qualifications, as stipulated by law, may, therefore, influence hiring practices in Australia, since mateship may also influence hiring decisions despite Australia’s entrenched traditions of rule-based governance and formal institutions.

Mateship, however, differs from friendship-based guanxi. According to Page (2002), mateship is a state of being, which may be described as helping one another in times of adversity and standing with a comrade to provide help (Page, 2002). Additionally, mateship involves an affective element of solidarity that is limited to those with whom one has a special connection. This special connection is created from the solidarity required to overcome shared adversity, such as taming the wild Australian bush to settle the land or fighting enemy forces in war. Providing help could also extend to offering employment to a mate who is experiencing adversity stemming from the need to find a job. In particular, because Australian males have traditionally been the wage earners in families, there is a strong stigma to unemployment and shame if men are unemployed (Colling, 1992), and the ‘right’ thing to do would be to offer a job to a mate who needed one. Moreover, mateship has traditionally applied to men rather than women since it was men, in particular, who battled against the Australian bush, and only men who fought enemy forces during war (Davison et al., 2001; Gammage, 1974; Page, 2002). Given the mixed gender composition of today’s Australian workforce and workplaces since the passage in 1986 and amendment in 1999 of the Equal Employment Opportunity for Women Act in Australia (Australian Government, 2005), Page’s (2002) argument that mateship has no place in the workplace suggests that this form of particularistic tie would not influence
hiring decisions. Overriding these arguments, however, is Bell’s (1973) contention that mateship implies a loyalty to one’s mate that is a higher virtue than the observance of law. This view is consistent with the apparent beliefs of contemporary Australian leaders who are themselves law makers. An order forbidding parliamentary security guards from addressing visitors and politicians as ‘mate’, an expression of mateship, was described as ‘un-Australian’ by the leader of the opposition party in parliament, who supported the Prime Minister’s reversal of the ban within 24-hours of its issue (BBC News, 2005). It could be expected, therefore, that even in a cultural context with a long heritage of rule-based governance and management, particularistic ties would influence hiring decisions in situations of adversity. Thus, the second hypothesis of this study is as follows:

**Hypothesis 2a:** Particularistic ties to an employment seeker will positively influence the decisions of individuals who make hiring decisions in the rule-based, Australian cultural context.

**Hypothesis 2b:** Particularistic ties to an employment seeker will positively influence the decisions of individuals, especially men, who make hiring decisions in the rule-based, Australian cultural context.

**Particularistic tie–rule interaction**

Guthrie (2002) had criticized the finding that Mainland Chinese employment seekers use guanxi in their job search on the basis that it was dated since the data were obtained from employment seekers prior to the liberalization of the Chinese economy (when the allocation of jobs was controlled by the government). In response, Bian (2002) examined data from the Mainland Chinese labour market after liberalization, from 1991 to 1997, from a variety of enterprises in Mainland China, including multinational corporations operating in China. She found that individuals still rely on their social relations to gain advantage in the employment process because there is still a relative lack of formal institutions by which labour markets operate. This suggests that in a Chinese cultural context in which formal rules, such as organizational policies and procedures, exist, hiring practices may be less reliant on particularistic ties. A possible reason, therefore, for the different findings regarding the influence of guanxi in relation-based cultural contexts is that particularistic ties may only be influential in the relative absence of rule-based governance. Thus, the third hypothesis of this research is as follows:

**Hypothesis 3:** The influence of particularistic ties in the hiring decisions of individuals in the relation-based, Chinese cultural context is moderated by the degree of rule-based governance of the employing organization, in such a way that particularistic ties positively influence the hiring decision only when the degree of rule-based governance of the employing organization is low.

**Overview of the research**

This research consists of three studies. The first and second studies were experimental in nature, using scenarios to test the first two research hypotheses. The first experimental study used an explicit quantitative measure of hiring decisions, while the second study used an implicit quantitative measure to avoid self-presentation bias. The first and second studies were supplemented with qualitative data to determine the reasons for the participants’ responses in relation to their hiring decisions. The third and final
quantitative study was conducted to test all three research hypotheses, and was based on a survey questionnaire.

**Study 1: method**

**Context**

Chinese participants were selected in Hong Kong China specifically because the region has characteristics of both relation- and rule-based governance. The people of Hong Kong, 95 per cent of whom are ethnic Chinese (Hong Kong Special Administrative Region of the People’s Republic of China Government, 2004), are culturally similar to the Chinese in Mainland China from the perspective of Westerners; yet, different from Mainland Chinese from the perspective of Mainland Chinese (Fu et al., 2004). This is because Hong Kong was founded as a Crown Colony of Great Britain in 1842 (Tsang, 2004); yet, its people never identified with their British colonial rulers (Fu et al., 2004). Nevertheless, it has retained its legacy of rule-based governance and management based on the English common law system even after its return to the People’s Republic of China in 1997 under the ‘one country, two systems’ principle (Hong Kong Special Administrative Region of the People’s Republic of China Government, 2002). This principle affords the territory a unique source of competitive advantage not shared by other Mainland Chinese cities as it seeks to maintain its position, created by the ethnic Chinese population of Hong Kong during the course of 150 years of British Colonial administration, as an international centre of global shipping, banking and finance in the region.

Australian participants were selected in Queensland, Australia because, unlike larger states in the south, such as New South Wales, Queensland has been relatively less influenced by recent immigration (Australian Bureau of Statistics, 1999), and would thus retain more of the traditional Australian values.

**Sample**

Future managers and professionals who potentially would be required to make employment decisions were the participants in the study. Two hundred and ten business students enrolled in undergraduate courses in universities in Hong Kong and Australia participated in the study. The participants from Hong Kong were human resource management majors. Although it is now a Special Administrative Region (SAR) of China, English remains a legacy of the former status of the territory as a colony of Great Britain and is still an official language of Hong Kong (Hong Kong Special Administrative Region of the People’s Republic of China Government, 2004). Consequently, there was no need to translate the experimental material into Chinese for the participants in the Hong Kong, Chinese cultural context.

Exchange students were among the participants in both the Hong Kong Chinese and Australian cultural contexts. Consequently, only those participants in the Australian context who identified their country of residence as a country that was culturally similar to Australia (Hofstede, 2001) were included in the Australian sample ($n = 119$). Of these participants, 72 per cent identified Australia/New Zealand as their country of residence. Similarly, only those participants in the Hong Kong Chinese setting who identified their country of residence as a country that was culturally similar to China (Hofstede, 2001) was included in the Hong Kong Chinese sample ($n = 79$). Of these participants, 94 per cent identified their country of residence as Hong Kong China. The participants were, on average, 20.49 years old ($M = 3.13$). One hundred and twenty-three of the participants were female (62 per cent), 70 were male.
A 2 x 2 (Cultural context × Particularistic tie) between-subjects factorial design was used. One between-subjects factor was the cultural context in which the participants completed the study (Australian versus Hong Kong Chinese). The second between-subjects factor was the absence or presence of a particularistic tie (no ties/friendship ties).

Procedure
The study was conducted during class time with the permission of course instructors. The participants were randomly assigned to one of the two particularistic ties conditions. Each participant was presented with a scenario requiring him or her to assume that he or she was a member of a committee that was responsible for employee selection. Scenarios were chosen as the means to administer the experimental treatment because of the control they afford in isolating the effect of the variable of interest, particularistic tie, on the dependent variable, employment decision-making. Scenarios were also used as the means to deliver the experimental treatment because legislation, especially in the Australian cultural context, specifically prohibits the employment of individuals based on criteria not related to job-related knowledge, skills and abilities (Australian Government, 2005). Thus, asking respondents directly to answer questions about whether particularistic ties influenced their employment decision-making was unlikely to reveal candid responses. Moreover, previous researchers who have used scenarios in their experimental methodology have found that statements of intended behaviour in response to scenarios are related to actual behaviour (e.g., De Cremer, 2003; Jago and Vroom, 1978). The scenario in which the participant is described as having a friendship tie to the employment seeker was as follows:

You are a member of a selection committee at a well-respected firm. You have been employed by the firm for two years, and are considered to be a high performer, whose opinions are respected by everyone in the firm. Your best friend, with whom you attended university, has applied for a job at your company. Your friend has had a lot of personal problems to deal with in the last five years: a sick child and a depressed wife. He has told you, though, that all of his personal problems are now under control. Based on your own personal experience with him over the last five years and on the resume he submitted, you privately believe that he is no better than an average employee and are uncertain whether his performance can be attributed to his personal problems. There are at least five other applicants whom you consider to be far superior to this candidate. You do not know any of these candidates personally. Your company has two job openings and will invite only three applicants for extensive, day-long interviews. It is highly likely that the successful applicants will remain with the company for the remainder of their careers because your company invests a lot of money to continually develop its employees.

Dependent measures
After reading the scenario, the participants were asked several questions. The first two questions assessed participants’ recommendations regarding the candidate. These questions were as follows:

1. How likely are you to recommend to the selection committee that the candidate who is an average performer [your best friend] be invited for an interview? (1 = I definitely would not recommend that this candidate [my friend] be interviewed, 5 = I would definitely recommend that this candidate [my friend] be interviewed.)
2 How likely are you to recommend to the selection committee that the candidate who is an average performer [your best friend] be offered employment in your firm? (1 = 1 definitely would not recommend that this candidate [my friend] be offered employment, 5 = I would definitely recommend that this candidate [my friend] be offered employment.)

The third and fourth questions were open-ended questions designed to elicit reasons for the participants’ answers to the first two questions. These questions were as follows:

3 Regardless of how you answered questions 1 and 2, whom would you recommend that the selection committee invite for further interviews? Explain.
4 Regardless of how you answered the previous three questions, to whom would you recommend that the selection committee make offers of employment? Explain.

Results
The means, standard deviations and inter-correlations among the variables are shown in Table 1.

Quantitative analyses
Multivariate analysis of variance (MANOVA) were used to analyse the responses to the first two questions in order to test the first two hypotheses of the study since there were two, related dependent variables, recommendation to interview and recommendation to employ. Consistent with the first hypothesis, the participants in the Hong Kong Chinese cultural context were no more likely to recommend that the candidate be interviewed when the employment seeker had a friendship tie to the decision maker \( (M = 2.93, SD = .83) \) than when the employment seeker did not \( (M = 3.10, SD = .85) \), nor were they any more likely to recommend that the candidate be offered employment when the employment seeker had a friendship tie to the decision maker \( (M = 2.45, SD = .71) \) than when the employment seeker did not \( (M = 2.59, SD = .79) \). Additional analyses revealed that neither of these differences was statistically significant.

Consistent with hypothesis 2a, participants in the Australian cultural context were more likely to recommend that the employment seeker be interviewed when the candidate had a friendship tie to the decision-maker \( (M = 3.21, SD = 1.06) \) than when the candidate had no friendship tie \( (M = 2.63, SD = 1.00) \). Additional analyses indicated that this difference was statistically significant \( (F (1,117) = 9.48, p < .01, \eta^2 = .08) \). Similarly, participants in the Australian cultural context were more likely to recommend

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Notes: Particularistic tie is coded 0 = no tie, 1 = friendship tie; Cultural context is coded 0 = Australian, 1 = Chinese; Age is in years; Sex is coded 0 = male, 1 = female; Two-tailed t-test; \(*p < .05, **p < .01; 190 \leq n \leq 198.\)
that the employment seeker be offered a job when the candidate had a friendship tie to the decision maker \((M = 2.86, SD = .92)\) than when the candidate had no friendship tie \((M = 2.32, SD = .79)\). Additional analyses indicated that this difference was statistically significant \((F (1,117) = 11.87, p < .001, \eta^2 = .09)\). The results of these analyses are depicted in Figure 1.

In contrast to hypothesis 2b, however, men’s employment decision-making was no more likely than women’s to be affected by particularistic ties to the employment seeker.

**Discussion of Study 1**

The quantitative results of the first study support the hypotheses that particularistic ties based on friendship do influence the selection decision-making of employment providers in the Australian cultural context but do not in the Chinese cultural context. Though random assignment to the two particularistic ties conditions was used to minimize the possibility that biased responding, rather than the experimental manipulation, across the two conditions may have influenced the participants’ responses, to further reduce the possibility that respondents were responding because of demand characteristics, Study 2 was conducted, in which the experimental manipulation as well as measures of the dependent variable were implicit rather than explicit. Implicit measures can effectively minimize such bias in responding (Fazio and Olson, 2003).

**Study 2: method**

**Sample**

The sample consisted of 143 business students enrolled in undergraduate courses in universities in Hong Kong and Australia. Of these participants, 63 were from the Chinese and 80 were from the Australian cultural context. Ninety-three (65 per cent) of the respondents were female. The average age of the respondents was 21.29 \((M = 2.55)\). As in Study 1, the Chinese participants were human resource management majors.

**Procedure**

The design and procedure were identical to those used in Study 1 except the scenario and dependent measures were implicitly rather than explicitly stated. In the scenario
describing a particularistic tie, for example, the gender neutral ‘Jacky’ rather than ‘you’ was identified as the job provider who had to make the employment decision.

**Dependent measures**

After reading the scenario, the participants were asked four questions, which were identical to those posed in Study 1, except that they were implicitly worded in Study 2. So, for example, the question about recommending the job seeker be interviewed was, ‘How likely do you think Jacky is to recommend to the selection committee that the candidate who is an average performer, Jacky’s best friend, be invited for an interview?’

**Results**

The means, standard deviations and inter-correlations among the variables are shown in Table 2.

**Quantitative analyses**

MANOVA were used to analyse the responses to the first two questions in order to test the first two hypotheses of the study. The quantitative results of the second study were identical to the results of the first study with the exception of hypothesis 2b. Men in the rule-based Australian cultural context were as likely as women to recommend interviewing the employment seeker with whom they had particularistic ties. Women \( (M = 2.96, SD = .75) \), however, were more likely than men \( (M = 2.17, SD = .39) \) to recommend that the employment seeker with whom they had particularistic ties be offered employment \( F(I, 74) = 8.18, p < .01, \eta^2 = .10 \). Thus, regardless of whether explicit or implicit measures are used, particularistic ties based on friendship do influence the selection decision-making of employment providers in the Australian but not in the Chinese cultural context. To understand more fully these common findings across the two studies, the qualitative data generated from questions 3 and 4 were analysed.

**Qualitative analyses**

Qualitative data reveal an understanding of the underlying reasons and motivations for people’s attitudes, preferences and behaviours (Malhotra *et al.*, 1996). Qualitative data can be a source of rich, well-grounded and very descriptive phenomena (Miles and Huberman, 1984), and have been used in previous research in combination with quantitative data analysis methodologies for this purpose (e.g., Greer *et al.*, 1999).

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<tr>
<td>Cultural context</td>
<td>.44</td>
<td>.50</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>21.29</td>
<td>2.55</td>
<td>-.07</td>
<td>.13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>.66</td>
<td>.47</td>
<td>.10</td>
<td>.21*</td>
<td>-.19*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommend interview</td>
<td>2.92</td>
<td>.95</td>
<td>.17*</td>
<td>.02</td>
<td>-.13</td>
<td>-.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommend employment</td>
<td>2.63</td>
<td>.92</td>
<td>.06</td>
<td>.07</td>
<td>-.12</td>
<td>.06</td>
<td>.54**</td>
<td></td>
</tr>
</tbody>
</table>

*Notes: Particularistic tie is coded 0 = no tie, 1 = friendship tie; Cultural context is coded 0 = Australian, 1 = Chinese; Age is in years; Sex is coded 0 = male, 1 = female; Two-tailed t-test; *p < .05, **p < .01, 135 ≤ n ≤ 143.*
Table 3

<table>
<thead>
<tr>
<th>Selection – important considerations</th>
<th>Chinese context Explicit</th>
<th>Australian context Explicit</th>
<th>Chinese context Implicit</th>
<th>Australian context Implicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past performance and interview performance</td>
<td>59</td>
<td>61</td>
<td>52</td>
<td>87</td>
</tr>
<tr>
<td>Ability, skills, knowledge communication skills, knowledge of company</td>
<td>47</td>
<td>45</td>
<td>0</td>
<td>104</td>
</tr>
<tr>
<td>Experience</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Personal problems</td>
<td>11</td>
<td>24</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Personal problems of candidate – yes hire</td>
<td>22</td>
<td>13</td>
<td>74</td>
<td>3</td>
</tr>
<tr>
<td>Personal problems of candidate – no hire</td>
<td>8</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Motivation and dedication</td>
<td>6</td>
<td>25</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Qualifications</td>
<td>5</td>
<td>34</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Suitability – to job and organizational culture</td>
<td>2</td>
<td>20</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Personality</td>
<td>0</td>
<td>0</td>
<td>66</td>
<td>0</td>
</tr>
<tr>
<td>If superior</td>
<td>0</td>
<td>0</td>
<td>60</td>
<td>0</td>
</tr>
<tr>
<td>Know the person</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Potential loyalty to company</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td>Give a ‘fair go’ to the under-dog</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Benefit company</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>30</td>
</tr>
</tbody>
</table>

Notes: The unit of analysis was a single line, as some whole sentences had more than one concept in them and not all participants provided qualitative responses. Respondents were asked explicitly (‘...whom would you...’) to explain their decision-making in Study 1 and implicitly (‘...whom do you think Jacky would...’) in Study 2. The responses were coded according to the themes that emerged from the data. The unit of analysis was a single line, as some whole sentences had more than one concept in them. Written responses were coded according to two pieces of information:

1 selection considerations – what is important; and
2 the actual decision made.

Table 3 highlights the key differences between participants in the Australian and Hong Kong Chinese cultural contexts with regard to their perception of the selection process (selection considerations). The numbers in the table indicate the number of lines representing that concept.

Selection considerations

The key differences between participants in the Australian and Hong Kong Chinese cultural contexts on this category of information are as follows:

1 Australians are more likely to interview or recommend a person with personal problems than Hong Kong Chinese respondents. Australians suggest that people with personal problems may be more hard working and appreciative of the job, and be more committed to the job. This explanation reflects the sentiment of helping others
in adversity, which characterizes mateship. Hong Kong Chinese respondents are more likely to reject a person with personal problems.

Australians are more likely to be concerned about the motivation and dedication of the candidate and the personality of the candidate. They are concerned with the suitability of the candidate to the job as well as the organizational culture.

Australians are more likely to be concerned with the candidates’ qualifications.

Hong Kong Chinese respondents specifically want candidates to know about the company and to have good communication skills.

The Australians spoke about giving a ‘fair go’, ‘fair game’—these are characteristics of ‘mateship’.

**Actual decision made**

Table 4 breaks down the actual decision made by cultural context and type of particularistic tie.

The key differences between participants in the Australian and the Chinese cultural context on this category of information are as follows:

1. Participants in the Australian cultural context are more likely to interview and offer positions to average candidates than participants in the Hong Kong Chinese cultural context. This reflects the egalitarian dimension of mateship.
2. Even in the ‘no ties’ condition, a participant in the Australian cultural context did mention the probability that the person was ‘recommended by my friend anyway’—thus would be more likely to interview and offer employment to the employment seeker.
3. Participants in the Australian cultural context indicated they would interview a mix of the average and superior candidates, give them all a ‘fair go’. Participants in the Hong Kong Chinese cultural context did not—the overwhelming majority would only give the superior candidates an interview and employment offer.
4. Participants in the Australian cultural context are open to interviewing and offering employment to their friend. Participants in the Chinese cultural context were not as willing to interview their friends and none would recommend employment of their friend.

**Discussion of Study 2**

The qualitative results reinforce the quantitative results described earlier and suggest that though participants in both the Hong Kong Chinese and Australian cultural contexts appear to consider knowledge, skills and abilities in employee selection decision-making, friendship-based particularistic ties are more likely to be considered in the employee selection decision by participants in the Australian cultural context than by participants in the Hong Kong Chinese cultural context. The reason for this finding is that participants in the Australian cultural context appear to be more willing to give their friends a fair chance (‘fair go’) of obtaining employment, despite the level of knowledge, skills and abilities possessed by the friend.

Interviews with five human resource managers from a variety of industries in the Hong Kong Chinese cultural context also supported the results of these two studies. These individuals noted that in companies in which human resource management practices are systematic (i.e., the extent to which established rule and procedures must be followed) particularistic ties play little or no role in the hiring decision. This observation is similar to Bian’s (2002) suggestion that in the absence of formal institutions, particularistic ties do influence human resource management processes. The human resource managers
Table 4  Studies 1 and 2: Qualitative results

(a) No ties

<table>
<thead>
<tr>
<th>Decision</th>
<th>Recommend interview</th>
<th></th>
<th>Recommend employ</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Explicit</td>
<td>Implicit</td>
<td>Explicit</td>
<td>Implicit</td>
</tr>
<tr>
<td>Other/superior candidate (not friend)</td>
<td>62</td>
<td>22</td>
<td>57</td>
<td>50</td>
</tr>
<tr>
<td>Average candidate (friend)</td>
<td>10</td>
<td>6</td>
<td>32</td>
<td>12</td>
</tr>
<tr>
<td>More information required</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A mix</td>
<td>2</td>
<td>18</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>No recommendation</td>
<td></td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Probably recommended by my friend anyway</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Friendship tie

<table>
<thead>
<tr>
<th>Decision</th>
<th>Recommend interview</th>
<th></th>
<th>Recommend employ</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Explicit</td>
<td>Implicit</td>
<td>Explicit</td>
<td>Implicit</td>
</tr>
<tr>
<td>Other/superior candidate</td>
<td>60</td>
<td>23</td>
<td>46</td>
<td>42</td>
</tr>
<tr>
<td>My friend (average candidate)</td>
<td>20</td>
<td>3</td>
<td>56</td>
<td>32</td>
</tr>
<tr>
<td>More information required</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>A mix</td>
<td></td>
<td>21</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>No recommendation</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Treat all the same</td>
<td>15</td>
<td>8</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Notes: The unit of analysis was a single line, as some whole sentences had more than 1 concept in them and not all participants provided qualitative responses. Respondents were asked explicitly ('...whom would you...') to explain their decision-making in Study 1 and implicitly ('...whom do you think Jacky would...') in Study 2.
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in Hong Kong did acknowledge, however, that while they recommended employment seekers for subsequent interviews by line managers on the basis of pre-established, job-related selection criteria, it was ultimately the immediate supervisor of the position vacancy who actually made the final hiring decision. Their particularistic ties to employment seekers, therefore, may influence the employment decision-making of these individuals. Consequently, we conducted Study 3 to determine whether particularistic ties would influence the employment decisions of individuals in organizations who are currently in a position to make a decision to hire an employment seeker. We tested the first and second hypotheses of our research to determine the replicability of the results of Studies 1 and 2 on practising managers and professionals. We also tested the third hypothesis of our research to determine whether the degree of rule-based governance in the respondents' organizations would influence their employment decision-making.

Study 3: method

Sample

One hundred and forty-five managers and professionals participated in the study. The participants were, on average, 30 to 34 years old (SD = 1.77). One hundred of the participants were female (69 per cent), 44 were male. Job titles of the participants included: Integrated Marketing Communications Manager, Relationship Officer, Broker, Business Support Executive, General Merchandise Manager and Vice-President – Business Development. The participants were managers and professionals employed full-time. Some were enrolled in part-time MBA studies. Eighty of the participants were from Hong Kong (55 per cent) and 65 were from Australia.

Design

A between-subjects factorial design was used, with cultural context as the between subjects factor. Only explicit measures were used since the results of Studies 1 and 2, in which the explicitness of the measures was varied, were essentially identical. Moreover, participants were required to indicate the extent to which their organizations are rule-based as well as the interconnectedness of their friendship ties. These variables could only be assessed using explicit measures.

Procedure

The questionnaires were administered during class with the permission of course instructors or were completed by participants during their own time. Each participant was presented with a questionnaire in which they were asked about the extent to which their organizations were rule-based and about their 'friendship with another person, X' (the nature of this friendship is explained in the next section). They were then presented with the following scenario:

X has applied for a job at your company. X has had a lot of personal problems to deal with in the last five years: a sick child and a depressed spouse. X has told you, though, that all of his/her personal problems are now under control. Based on your own personal experience with him/her over the last five years and on the resume s/he submitted, you privately believe that X is no better than an average employee and are uncertain whether his/her performance is due to his/her personal problems. There are at least five other applicants whom you consider to be far superior to X. You don't know any of these candidates personally. Your company has two job openings and will invite only three applicants for extensive, day-long interviews.
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Measures

The six-item measure of the extent to which the participant’s organization is rule-based was adopted from Podsakoff and MacKenzie (1994). A five-point Likert scale (1 = strongly disagree; 5 = strongly agree) accompanied each item. Example items included: ‘In my organization, violations of rules and procedures are not tolerated’; ‘In my organization, anytime there is a policy that fits some situation (e.g., selection, customer service), everybody has to follow that policy very strictly’; ‘In my organization, rules and policies are considered to be the law’. The alpha coefficient for the measure in this study was .86.

A continuous rather than a dichotomous scale was chosen to measure the degree of friendship in Study 3 to enable us to conduct regression analysis, which is more powerful for detecting the presence of a statistically significant effect than the MANOVA as used in Studies 1 and 2 (Tabachnick and Fidell, 2001). Consequently, a 1-item pictorial measure of the interconnectedness of the friendship was adapted from Aron et al. (1992). This measure has been empirically demonstrated by Aron et al. to be as reliable and valid as an 80-item measure of relational closeness (Bersheid et al., 1989) and is free of the American-cultural bias that plagues the longer, more time-consuming measure. Participants were required to circle one of seven pairs of circles that best described their friendship with ‘X with whom you have the closest, deepest and most involved friendship (not a romantic partner, husband/wife, etc.)’. One circle in each pair represented ‘self’ (the participant) while the second circle represented ‘other’ (the participant’s friend, ‘X’). The extent to which the two pairs of circles overlapped indicated the interconnectedness of the friendship.

Dependent measure

After reading the scenario, the participants were asked two questions. The two questions assessed participants’ recommendations regarding the candidate. These questions were as follows:

1. How likely are you to recommend to the selection committee that X be invited for an interview? (1 = I would definitely not recommend that X be interviewed; 5 = I would definitely recommend that X be interviewed.)

2. How likely are you to recommend to the selection committee that X be offered employment in your firm? (1 = I would definitely not recommend that X be offered employment; 5 = I would definitely recommend that X be offered employment.)

Results

The means, standard deviations and inter-correlations among the variables are shown in Table 5. Hierarchical regression analyses were conducted since rule-based governance and particularistic tie, operationalized as interconnected with closest friend, were continuous variables. The interaction variables were centred in accordance with the recommendations of Aiken and West (1991). The results of the regression analyses can be seen in Table 6.

With stronger particularistic ties, participants are significantly more likely to recommend that their closest friend be interviewed ($\beta = .19, p < .05$). Stronger ties also lead to a significantly greater likelihood that closest friends are recommended for employment ($\beta = .24, p < .01$). Separate analysis by cultural context indicates that the relationship between particularistic ties and the recommendation to interview ($\beta = .23, p = .05$) and to employ is significant only in the Hong Kong Chinese cultural context.
Table 5  Study 3: Correlations among variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural context</td>
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<td>.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>4.11</td>
<td>1.77</td>
<td>-.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>.69</td>
<td>.45</td>
<td>-.17*</td>
<td>-.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule-based regulation</td>
<td>3.19</td>
<td>.87</td>
<td>.12</td>
<td>-.06</td>
<td>-.07</td>
<td>.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Particularistic tie</td>
<td>4.08</td>
<td>1.53</td>
<td>.00</td>
<td>.04</td>
<td>.07</td>
<td>.13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommend interview</td>
<td>3.00</td>
<td>.86</td>
<td>.00</td>
<td>-.08</td>
<td>-.02</td>
<td>-.06</td>
<td>-.18*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommend employment</td>
<td>2.81</td>
<td>.74</td>
<td>-.04</td>
<td>.02</td>
<td>-.22*</td>
<td>.19*</td>
<td>.22*</td>
<td>.58**</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Cultural context: 0 = Hong Kong Chinese cultural context, 1 = Australian; Sex: 0 = Male, 1 = Female; alpha coefficient on diagonal.
* p < .05. ** p < .01.

(β = .38, p < .01). This result is in contrast to the first and second hypotheses of this study. Investigation of the significant influence of sex of the participant in the hire decision revealed, in partial support of hypothesis 2b, that among respondents in the rule-based Australian cultural context, men and women are equally likely to recommend that their friend be interviewed; however, men are more likely than women to recommend employment of their closest friend (β = -.28, p < .01).

No support was found for the third hypothesis, that the degree of rule-based governance in the employing organization would moderate the influence of particularistic ties on the hiring decision in relation-based cultural contexts. The interaction between rule-based governance and friendship was not significant in the Hong Kong Chinese cultural context (β = -.09, ns), but the degree of rule-based governance was (β = .24, p < .05). This means that, regardless of the degree to which they feel interconnected with their friend, the greater the degree of rule-based governance in the employing organization, the more likely are participants to recommend employment of their closest friends in the Hong Kong Chinese cultural context.

Although we did not offer a hypothesis regarding the influence of rule-based governance within the organization on the employment decision in the Australian context, the lack of support for the second hypothesis prompted us to conduct additional moderator analyses to determine the reason for this lack of support. This analysis revealed an interaction between friendship and rule-based governance in the Australian cultural context (β = .28, p < .01). In the Australian cultural context, the higher the degree of rule-based governance in the employing organization, the more likely are participants to recommend their closest friends for employment, only if their friendship tie with their closest friend is one of extreme interconnectedness. These results are illustrated in Figure 2.

Discussion of Study 3

This study examined the influence of particularistic ties based on friendship on hiring decisions made by current managers and professionals in relation-based (Hong Kong Chinese) and rule-based (Australian) cultural contexts. In contrast to the findings of the first two studies, particularistic ties do positively influence the hire decision in the Hong Kong Chinese cultural context and not in the Australian cultural context. This result
Table 6  Study 3: Regression analyses

<table>
<thead>
<tr>
<th></th>
<th>Recommend interview</th>
<th>Recommend employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
<td>Model 2</td>
</tr>
<tr>
<td>Sex</td>
<td>-.04</td>
<td>-.05</td>
</tr>
<tr>
<td>Cultural context</td>
<td>.01</td>
<td>.00</td>
</tr>
<tr>
<td>Rule-based regulation</td>
<td>-.09</td>
<td>-.09</td>
</tr>
<tr>
<td>Particularistic tie</td>
<td>.20*</td>
<td>.21*</td>
</tr>
<tr>
<td>Cultural context X rule-based regulation</td>
<td>-.06</td>
<td>-.07</td>
</tr>
<tr>
<td>Cultural context X particularistic tie</td>
<td>-.02</td>
<td>-.01</td>
</tr>
<tr>
<td>Rule-based management X particularistic tie</td>
<td>.07</td>
<td>-.04</td>
</tr>
<tr>
<td>Cultural context X rule-based regulation X</td>
<td>.17†</td>
<td></td>
</tr>
<tr>
<td>R-Square change</td>
<td>.00</td>
<td>.04</td>
</tr>
<tr>
<td>F change</td>
<td>.17</td>
<td>2.08</td>
</tr>
<tr>
<td>df</td>
<td>1,139</td>
<td>3,136</td>
</tr>
</tbody>
</table>

Notes: Cultural context: 0 = Hong Kong Chinese, 1 = Australian; Sex: 0 = Male, 1 = Female; †p < .10, *p < .05, **p < .01.
Supports the findings of Bian (2002) who found that even with the move towards an advanced, capitalist economy, guanxi still plays a significant role in the employment process in the Chinese Mainland.

In contrast to the third hypothesis of this research, the degree of rule-based governance in the employing organization of those making the hiring decision in the relation-based, Hong Kong Chinese cultural context did not moderate the influence of particularistic ties on the hire decision. Instead, the degree of rule-based governance increases the likelihood that the participants' closest friends, regardless of how interconnected the friendship is, would be recommended for employment. A possible explanation for this result is that organizations with high degrees of rule-based governance in the Hong Kong Chinese cultural context may be large, rather than small-to-medium sized organizations. Although larger organizations are typically characterized by greater formalization of policies and procedures (Morand, 1995), research on organization size reveals that larger organizations tend to allow greater decentralization than smaller organizations (Hage and Aiken, 1967). This decentralization may create organizational slack and this slack may lead to the belief that hiring a friend in need would not harm the organization but would help the friend. This possibility needs to be investigated in future research.

Although not hypothesized, stronger particularistic ties increase the likelihood that participants would recommend the employment of their friends in the rule-based Australian cultural context when the employing organization has a high rather than low degree of rule-based governance. Size and organizational slack, as discussed previously, may explain this finding. Another possibility is that workplace friendships have been found to increase support and resources that help individuals get difficult jobs done (Berman et al., 2002). These researchers have also found that workplace friendships are associated with reduced workplace stress, increased communication and task accomplishment. For Australians, who are among the highest in the world on the individualism cultural value (Hofstede, 1984), it is possible that when organizations have strict rules and policies, Australians, and in particular, male Australians, may want to have mates as colleagues to help deal with perceived constraints on independence associated with rule-based governance. Further research is required to examine the moderating role of individual cultural value differences in the use of particularistic ties based on friendship.

Another possible explanation for these findings is that highly rule-based organizations may also have very strong organizational cultures and value systems (cf, Coutu, 2002). Such organizations may attach importance to the benefits of person–organization fit. Cable and Judge (1997), for example, found that interviewers' assessments of person–organization fit positively affect their hiring recommendations. Person–organization fit based on value congruence also appears to play a role in employment seekers' application decisions in the Chinese Mainland (Turban et al., 2001). Individuals who work in organizations with strong values, therefore, may recommend friends for employment because of person–organization fit considerations rather than person–job fit criteria. These possible explanations are fertile ground for future investigation.

The results of study 3, which indicate that the closeness of the friendship tie is relevant to the recommendation to hire in the Chinese cultural context and that stronger friendship ties in more rule-based organizations influence the recommendation to hire in the Australian cultural context, contradict the findings of Granovetter (1973; 1974), who found that weak network ties influence the job search process of employment seekers. In support of Granovetter, Brown and Konrad (2001) found that while strong ties are used initially to seek information, it is relatively weak ties that are related to job-seeking outcomes in the United States.

The results of the current research can be reconciled with that of Brown and Konrad (2001) by differentiating between affective and informational components of particularistic
Employment seekers need as many weak ties as possible to maximize the amount of information they possess regarding job openings, particularly if they are new entrants to the labour market who lack strong ties to job incumbents. The more job openings they apply to fill, the greater the probability that employment seekers will achieve a successful employment outcome. Employment providers, however, may be willing to make employment recommendations only when there is a strong affective component to the tie, which reflects the value congruence between the employment seeker and employment provider. This affective component was highlighted for the participants in Study 3 when they were asked to indicate how close they were to the friend with whom they had the ‘closest, deepest and most involved friendship’.

This explanation may also account for why the closeness of the friendship only marginally influenced the interview recommendations of the managers and professionals in the current sample. Cable and Judge (1997) found that employment providers accurately use the interview to assess whether the job applicants’ values are congruent with the organization’s. If the job applicant is someone with whom the employment provider has particularistic ties based on close friendship, there is less need to interview the job applicant to determine whether the applicant’s values are congruent with that of the organization. Further research is required to investigate these possible differences in how employment seekers and employment providers use particularistic ties based on friendship.

**General discussion and conclusions**

The findings of this third study raise additional questions, particularly in light of the findings of Studies 1 and 2. A possible reason for the disparate results is the type of individuals included in the samples of the two studies. In the first two studies, the study participants were undergraduate business school students, who were relatively less experienced than the managers and professionals in the third study. As individuals with less exposure to the dynamics of a current working environment and relatively less appreciation of the significance of person–organization fit, the undergraduate business students in the Chinese cultural context may have underestimated the importance of particularistic ties in business activities within the Chinese relation-based context. Similarly, business students in the Australian cultural context may have underestimated the real constraints of rule-based regulation on the influence of particularistic ties.

Another explanation may be gleaned from the age of the participants in the three studies. Tsui and Farh (1997) suggested that the individual cultural value of modernity would moderate the influence of particularistic ties on work outcomes. Modernity, which refers to belief in Western values such as open-mindedness, equality among the races and sexes and self-reliance (Tsui and Farh, 1997; Yang, 1988), may be a value that is more
strongly held by younger rather than older people in the Chinese cultural context. Thus, the participants in Studies 1 and 2, who, on average, are younger than the participants in Study 3, may have been less influenced by particularistic ties when they were placed in the position of offering employment to employment seekers. The potentially moderating role of modernity needs to be directly investigated in future research.

Future research on relation- and rule-based regulation of hiring practices should also address some of the limitations of this study. First, the self-report nature of the organizational variables may reduce the validity of the findings. A subjective measure of rule-based regulation was used in this study, and the findings in relation to this variable were interpreted in terms of organizational size. Clearly, future research should include an objective measure of organizational size to provide insight into the counter-intuitive result that was found for rule-based regulation in the Australian context.

Another suggestion to improve the insights from this particular study would be to include details of whether the ‘friend’ the participants were considering employing is male or female, and to identify if the relationship dyads consist of same-sex members. Mateship is more likely to be a same-sex relationship (Morse and Marks, 1985) and mateship is traditionally male-oriented (Page, 2002). Thus, in Study 2, the job seeker, ‘Jacky’, whose name was chosen because of its gender-neutrality, may have been perceived by respondents to be a male job provider. Female respondents in the Australian cultural context may, therefore, have responded as they believe male Australians would respond, by making an employment decision favourable to a friend. This possibility, which is supported by the Study 3 finding that men, compared with women, are more likely to recommend hiring job seekers with whom they have a particularistic tie, could be explored further by investigating whether male and not female friends were being employed. Such a finding would have implications for the pervasiveness of male-biased mateship, despite legislative efforts to ensure gender equality in the Australian workplace.

Lastly, prior research examining the role of particularistic ties on employment decisions has examined the influence of the ties from either the job-seeker’s or the employment provider’s perspective. Since these ties are relational and involve two individuals, future research should examine dyads as the unit of analysis to further understand the exchange process between the employment seeker and employment provider.

The practical significance of this research is four-fold. First, regardless of how formal and systematic human resource management practices and procedures are, front-line managers who make employment decisions are likely to be influenced by the particularistic ties of friendship they may have to job applicants. Organizations that perceive this usage of guanxi in the Hong Kong Chinese cultural context or mateship in the Australian cultural context as detrimental to the performance of the organization need to re-double their efforts to train front-line managers and, in the Australian cultural context, less experienced, younger employees to implement the organization’s human resource policies and practices. This is especially important in the Australian cultural context, where mateship, which may favour a candidate with fewer job-related qualifications than other applicants, could lead to legal difficulties for the organization should its hiring decision be challenged by an unsuccessful, more qualified candidate.

Second, human resource managers in organizations that are strongly values-based should encourage their exemplary employees to recommend individuals with whom they have particularistic ties to seek employment with the organization. Since individuals who share particularistic ties of friendship have shared values (Crandall et al., 1997), employing individuals with similar values would perpetuate and strengthen the organization’s culture. Such human resource practices, however, should be complemented with legally defensible evidence that the job seeker with the
particularistic ties, though having inferior qualifications compared with other candidates, does have the minimum necessary job-related qualifications to perform the job.

Third, from the point of view of job seekers, cultivating and maintaining particularistic ties in the form of friendship in either cultural context could be potentially helpful in securing favourable hiring decisions in spite of the job seeker's job-related qualifications. In both cultural contexts, it is the strength of the friendship rather than the quantity of the friendship ties that matters.

Finally, job seekers who do receive employment offers because of their particularistic ties to incumbents in the hiring organization in spite of their job-related qualifications need to consider whether they could perform at the level required by the organization. Inability to perform according to role requirements and expectations of the job are a source of stress that could have detrimental consequences on the health and job satisfaction of employees (e.g., Fang, 2001; Ganster et al., 2001). Job seekers, therefore, need to consider whether they are capable of managing stress due to inability to perform to required standards or whether they should seek employment opportunities that are more appropriate for their job-related qualifications. Human resource managers of organizations offering employment to such job seekers need also to weigh the costs, in terms of training, turnover and health care (Fang, 2001), of hiring applicants who have particularistic ties of friendship to job incumbents but who may not be able to manage the stress stemming from performing a job that is beyond their capability.

In conclusion, the theoretical implications of these research findings suggest that cultural phenomena do have differential effects in different cultural contexts. The practical significance of this research is that friendship based guanxi does play a role in hiring decisions, even in a Chinese cultural context with over 150 hundred years of experience with Western, rule-based regulation and management. Particularistic ties, in the form of mateship in Australia, can also influence hiring decisions in rule-based cultural contexts. Thus, organizations headquartered in rule-based cultural contexts with systematic human resource practices need to incorporate these cultural considerations when they design their global human resource management systems.

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