Workforce Differentiation and Human Resource Management Practices: An Exploratory Research in China

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KEYWORDS Human Resource Management Practice. Guan Xi. Value. Workforce Differentiation

ABSTRACT Guangzhou Z Hotel differentiates its staffs into three groups, namely, the core groups, close groups and loose groups, using different incentive practices with different employees, which raise the researchers’ interest. The research sets Z Hotel as an example to study workforce differentiation and its implication on human resource management practices in China. The researchers used a grounded theory methodology and the validity of the research was enhanced by data triangulation. The research was based upon an organization, which is within the substantive setting of the hotel industry. Based on grounded theory, the researchers explored the characteristics of the staff classifications and differential human resource management practices in China’s context. The main conclusions are: (1) employees are grouped by their “guan xi” and “capital value” to the organization, and (2) based on the employee classification, human resources management practices present differential modes embodied in their ability, motivation and opportunity.