

## Changing Employment Relations Practices in Hong Kong: Cases of Two Multinational Retail Banks since 1997

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**Abstract :** This paper sets out to examine the changing employment relations practices in Hong Kong's retail banking sector over a period of more than 10 years. The major objective of the research is to examine whether and to what extent local institutional influences have overshadowed global market forces in shaping strategic management decisions and employment relations practices in Hong Kong, with a view to drawing implications to comparative employment relations studies. Examining the changing pattern of employment relations, this paper finds the industrial relations strategic choice model (Kochan, McKersie and Cappelli, 1984) appropriate to use as a framework for the study. Four broad aspects of employment relations are examined, including work organisation and job design; staffing and labour adjustment; performance appraisal, compensation and employee development; and labour unions and employment relations. Changes in the employment relations practices in two multinational retail banks operated in Hong Kong are examined in detail. The retail banking sector in Hong Kong is chosen as a case to examine as it is a highly competitive segment in the financial service industry very much susceptible to global market influences. This is well illustrated by the fact that Hong Kong was hit hard by both the Asian and the Global Financial Crises. This sector is also subject to increasing institutional influences, especially after the return of Hong Kong's sovereignty to the People's Republic of China (PRC) since 1997. The case study method is used as it is a suitable research design able to capture the complex institutional and environmental context which is the subject-matter to be examined in the paper. The paper concludes that operation of the retail banks in Hong Kong has been subject to both institutional and global market changes at different points in time. Information obtained from the two cases examined tends to support the conclusion that the relative significance of institutional as against global market factors in influencing retail banks' operation and their employment relations practices is depended very much on the time in which these influences emerged and the scale and intensity of these influences. This case study highlights the importance of placing comparative employment relations studies within a context where employment relations practices in different countries or different regions/cities within the same country could be examined and compared over a longer period of time to make the comparison more meaningful.

**Keywords :** employment relations, institutional influences, global market forces, strategic management decisions, retail banks, Hong Kong

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