

# Enhancing HRM Practices for Cross-Regional Development in Chinese State-Owned Enterprises

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**ABSTRACT:** Chinese state-owned enterprises (SOEs) play a significant global role. Cross-regional development has emerged as a pivotal strategic choice due to China's imperative for sustained economic growth and the continuously evolving market dynamics. The research aim is to enhance Human resource management (HRM) practices within Chinese SOEs and provide a comprehensive understanding of HRM strategies to facilitate effective cross-regional development, which is a crucial insight into coordinated development and sustained growth in different regions. This objective is achieved through a quantitative research method to enable a meticulous analysis of the intricate interplay among Confucian cultural factors, HRM practices, and employee satisfaction, examining the complex relationships, including correlations, and mediating effects. Significantly, the research findings highlight a pivotal sub-domain of HRM—Staffing, which exhibits the highest mediating effect among these variables. This implies that dedicating resources, efforts, and attention to this specific area can yield substantial benefits for organizations. It establishes a foundation and focal point for formulating HRM strategies for cross-regional development. This research not only offers a nuanced perspective on HRM practices in a cross-regional context, but also reveals the intricacies of operations within Chinese SOEs. Furthermore, it holds the promise of providing valuable insights and inspiration for the fields of international business management and cross-cultural management, shedding light on the complexities involved and offering valuable lessons for international enterprises operating in similar contexts.

**KEYWORDS:** cross-regional development, HRM practices, HRM strategies, Chinese SOEs, cultural factors, employee satisfaction

## Background and Context

In recent decades, Chinese State-Owned Enterprises (SOEs) have emerged as key players in various sectors globally, from technology and manufacturing to energy and finance (Jones and Zou 2017). The evolving dynamics of the global market demand a shift in their strategic approach. Faced with intense competition, fluctuating market demands, and geopolitical complexities, these enterprises recognize the necessity of cross-regional development. As emerging markets gain influence and traditional economic powerhouses adapt, Chinese SOEs find themselves at a crossroads of tradition and innovation. Conventional business models might not suffice in this context. Cross-regional development has become a strategic choice driven by the need for sustained economic growth, which enables diversification of revenue sources, mitigates risks associated with market concentration, and capitalizes on emerging opportunities worldwide.

## Research Objectives and Significance

The research endeavours to address critical challenges faced by Chinese SOEs in the realm of Human Resource Management (HRM) within the context of cross-regional development. The primary objective is to enhance HRM practices within Chinese SOEs, ensuring they align with the intricate cultural dynamics and diverse regional contexts. Specifically, this research aims to unravel the complexities of Confucian cultural factors impacting HRM strategies. It seeks to investigate the correlation between these cultural factors, HRM practices, and employee satisfaction, offering profound insights into the mediating effects at play. By undertaking this approach, the research not only elucidates intricate and multifaceted relationships but also delves deep into the management landscape of Chinese SOEs. It provides invaluable insights for the fields of international business management and cross-cultural management. Simultaneously, it

has furnished actionable strategies for effective cross-regional development, thereby contributing significantly to the sustainable growth and coordinated development of Chinese SOEs across diverse regions.

## **Literature Review**

In the contemporary global business landscape, Chinese SOEs have garnered extensive attention. These entities, buoyed by robust governmental support, assume a pivotal role in shaping international trade dynamics and investments. This literature review critically examines various facets of Chinese SOEs, with a specific focus on their global roles, cross-regional developments, HRM practices, cultural factors, and employee satisfaction within these organizational contexts.

### ***Role of Chinese SOEs in Global Contexts***

Chinese SOEs play a pivotal role in the global economic and political landscape, engaging in various sectors worldwide, such as energy, communication, and manufacturing (Fu and Kamenou 2013). Their multifaceted involvement has profound implications for the global market and international relations, rendering them indispensable in discussions concerning economic interdependence. Their influence extends across multiple dimensions, including economic impacts, technological innovation, geopolitical and diplomatic relations, as well as sustainable development. Notably, scholars emphasize their function as instruments of Chinese government policies, often serving national interests and fostering China's economic diplomacy on the international stage (Muzapu et al. 2016). It is essential to recognize that, while Chinese SOEs exert a significant impact on both domestic and international markets, they also encounter numerous challenges, including international market competition, issues related to managerial efficiency, and mismatches with local cultures and legal systems.

### ***Cross-Regional Developments in the Context of Chinese Business***

As Chinese SOEs continue their expansive ventures, they inevitably encounter diverse regional environments. Consequently, cross-regional research assumes paramount significance in assisting these SOEs in adapting and thriving within such contexts, particularly concerning recent initiatives such as the "Belt and Road" initiative, the commercial influence in the Asia-Pacific region, investments and trade in Africa, and collaborations with emerging economies. Cross-regional developmental studies comprehensively illuminate the significance of cultural factors and the economic and political disparities across various regions. Such insights are instrumental in facilitating timely strategic adjustments for these enterprises.

### ***HRM Practices and Cultural Factors in Chinese SOEs: Balancing Tradition and Modernity***

The coexistence of traditional Confucian cultural values and modern management practices poses unique challenges for HRM in Chinese SOEs (Brock and Ma 2021). Cultural factors have the potential to create confusion in HRM practices, resulting from disparities in communication styles, ethical norms, and leadership expectations, often causing misunderstandings and inefficiencies. China's inherent Confucian values, including a paternalistic worldview, respect for hierarchical norms, relationship-oriented management, and collectivist customs, give rise to characteristics such as moral incentives, medium to high power distance, and family-oriented employment relationships (Burt and Burzynska 2017; Liu and Woywode 2013; Xiao and Cooke 2020). These characteristics frequently conflict with the global business arena's demand for flexibility and innovation. Formulating strategies to mitigate these challenges, while balancing the preservation of traditional cultural values with the adoption of contemporary HRM methods, is crucial for the successful cross-regional development of Chinese SOEs.

### ***Employee Satisfaction in Chinese SOEs: A Key to Sustainable Growth***

Employee satisfaction stands as a pivotal determinant of organizational success. Research indicates that content employees exhibit higher work efficiency, increased innovation, and a stronger commitment to organizational objectives (Kurdi, Alshurideh, and Alnaser 2020). Ensuring employee satisfaction within Chinese SOEs entails addressing unique challenges, such as striking a balance between job security and performance-based incentives and fostering a supportive work environment that values employee contributions. Effective HRM practices addressing these issues can enhance employee engagement and retention rates (Edmans et al. 2023).

In summary, the cross-regional development of Chinese SOEs demonstrates intricate interactions among cultural, managerial, and strategic factors. Understanding the global role of Chinese SOEs, analysing their cross-regional development, and addressing the challenges in HRM are of paramount importance for scholars and practitioners navigating the complexities of the international business landscape. By recognizing the significance of cultural factors, implementing effective HRM practices, and prioritizing employee satisfaction, Chinese SOEs will have a high probability of achieving successful cross-regional development. This understanding not only facilitates their success but also positions them as valuable contributors to policymaking, providing essential insights and inspiration to policymakers dealing with the complexities of the international business arena.

### **Theoretical Framework**

In this research, a model exploring the relationships among cultural factors, HRM practices, and employee satisfaction was developed, accompanied by the formulation of research hypotheses. The establishment of this relational model aimed to analyse the connections between cultural factors, HRM practices, and employee satisfaction. This model comprises three main elements: the impact of cultural factors, the implementation of HRM practices, and the manifestation of employee satisfaction (see Figure 1 and Figure 2).

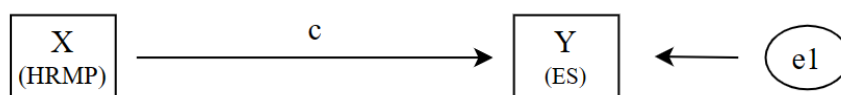


Figure 1. The Direct Effect

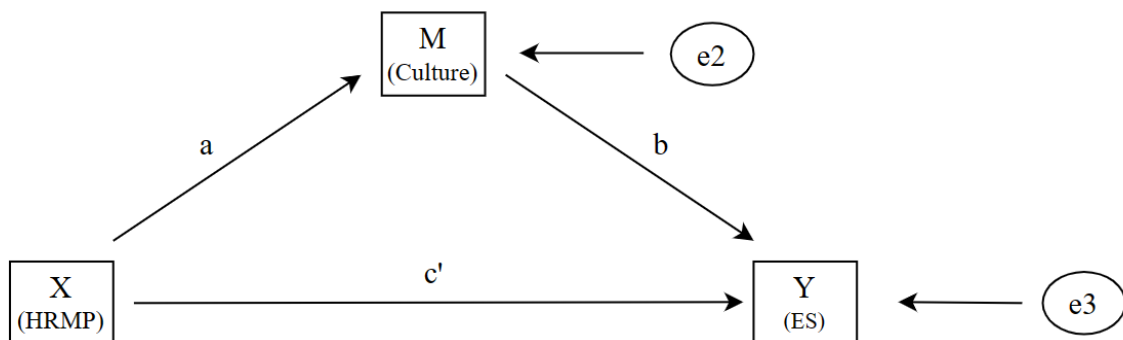


Figure 2. The Mediation Model

We will explore the interactions between these elements as well as mediating effects to reveal how cultural factors influence employee satisfaction, thereby providing insights for HRM strategies facing diverse cultures in cross-regional development.

Furthermore, due to cultural differences, implementing HRM practices tailored to the specific characteristics of SOEs for cross-regional development poses a significant challenge. Previous studies have established a significant correlation between HRM practices and employee satisfaction. This section aims to investigate whether cultural factors mediate this relationship and how HRM practices influence employee satisfaction. Based on this, two hypotheses are formulated.

**H1: Cultural factors mediate the effect of human resource management practices on employee satisfaction.**

H1a: Cultural factors mediate the effect of performance and reward practices on employee satisfaction.

H1b: Cultural factors mediate the effect of training and development practices on employee satisfaction.

H1c: Cultural factors mediate the effect of staffing practices on employee satisfaction.

H1d: Cultural factors mediate the effect of human resource planning practices on employee satisfaction.

H1e: Cultural factors mediate the effect of human resource practice projects on employee satisfaction.

**H2: Cultural factors can positively impact employee satisfaction.**

Lastly, the theoretical foundation of the quantitative research methodology employed in this research was discussed. Quantitative research methods were utilized, employing questionnaire surveys and statistical analysis to quantify the relationships among cultural factors, HRM practices, and employee satisfaction, which can offer objective and quantifiable data, aiding in a deeper understanding of the interconnections between these factors.

To sum up, the theoretical framework of this research will uncover the interrelationships among cultural factors, HRM practices, and employee satisfaction, offering strategic guidance for organizations to enhance the outcomes of HRM practices.

## **Methodology**

In this research, a quantitative research approach was employed to thoroughly investigate the intricate relationship between cultural factors, HRM practices, and employee satisfaction. The following provides a detailed description of the research methodology.

### ***Data Collection Methods and Sources***

To collect data, this research used a questionnaire survey. It sought to understand if cultural factors play a role in how HRM practices affect employee satisfaction. This method of data collection encompassed a broader participant pool, providing a quantitative source of data. The questionnaire was divided into three sections: HRM practices, Chinese culture, and employee satisfaction. All questions were designed as anonymous, self-administered format and were standardized closed-ended questions, wherein respondents were required to select their answers from predetermined fixed options. Additionally, the research incorporated the use of Likert scales to assess participants' attitudes toward the research (Roopa and Rani 2012). Questionnaires were distributed and collected using hyperlinks on the Qualtrics XM Platform. Respondents could access the survey questionnaire via internet hyperlinks using web browsers on computers, tablets, or mobile phones. The data source included managers and employees from six large Chinese SOEs in telecommunications, energy, and technology industries.

### ***Sample Selection and Size***

The research opted for a non-probability sampling method, specifically employing the snowball sampling technique. This approach was chosen due to the emphasis placed on privacy concerns within Chinese SOEs. Obtaining contact information and insights regarding these enterprises typically proves challenging, necessitating a certain level of trust for individuals to willingly participate (Parker, Scott, and Geddes 2019). Moreover, the pivotal role of "guanxi" (relationships) in Chinese society allows for maximal organizational access through established social networks (Bian 2018; Li 2016), mitigating the difficulties faced in accessing the general populace. Nevertheless, there is also a risk of bias, so it is essential to ensure that the recommended participants genuinely meet the research criteria to maintain the authenticity of the data (Parker, Scott, and Geddes 2019). Ultimately, following data cleaning and screening processes, 332 valid responses were obtained.

### ***Variables and Measurement***

Three primary variables were examined in this research: cultural factors, HRM practices, and employee satisfaction. Cultural factors were measured by considering the importance of specific cultural values, such as respect for seniority, respect for hierarchical structures, harmony preservation, "Guanxi" (relationship networks), and collectivism. HRM practices encompassed policies and practice outcomes related to recruitment, training, performance management, reward management, and HR planning. Employee satisfaction was assessed based on their contentment with various aspects such as the job itself, promotion, and development, working environment, pay and rewards, and top management. Following a Kaiser-Meyer-Olkin (KMO) test, which yielded a value of 0.967, and a Bartlett's sphericity test (significant at 0.000), this research found that there were an excessive number of sub variables within the HRM practices section of the questionnaire. Therefore, factor analysis was employed to reduce the dimensions and facilitate interpretation (Shrestha 2021; Yong and Pearce 2013). In this research, the Kaiser (eigenvalue) criterion was utilized to retain important factors with eigenvalues exceeding 1.0, and for the purpose of simplifying and clarifying the data structure while minimizing subjectivity, data rotation was performed (Basto and Pereira 2012). Preliminary analysis results revealed five factors with eigenvalues exceeding 1.0. They were retained and collectively explained 74.045% of the information. They were subsequently renamed based on their respective content into P&R Practices, T&D Practices, Staffing Practices, HRP Practices, and HR practice projects. In this model test, the variables involved are: PAF\_PR, PAF\_TD, PAF\_S, PAF\_HRP, PAF\_P, cultural factors (PAF\_CF), and employee satisfaction (PAF\_ES), the writing form of PAF\_ is the abbreviation and renaming of each variable during testing.

### ***Data Analysis Techniques***

To explore the relationships among these variables, correlation analysis, mediation analysis, and statistical tools were employed for data processing. Correlation analysis assisted in determining the degree of association between variables, while mediation analysis revealed the mediating role of cultural factors between HRM practices and employee satisfaction. Advanced statistical tools, such as Structural Equation Modelling (SEM), were utilized to validate our research hypotheses. To address the non-normality of the data distribution in this research, bootstrap standard error and confidence interval based on bootstrap can be employed for interpretation. Fortunately, Mplus's Bootstrap feature offers a potential solution for estimating statistical p-values and parameter standard errors in model testing under the condition of non-normal data (Nevitt and Hancock 2001). It employs a fully non-parametric approach, enabling the assessment of indirect effects (Preacher and Hayes 2004). Consequently, Mplus emerged as the preferred choice for this research due to its broader options and flexibility in handling non-normally distributed data (Muthén 2011; Narayanan 2012). This significantly ensured the reliability and accuracy of the research findings.

In conclusion, this research utilized a quantitative research methodology employing survey questionnaires, which were distributed through a snowball sampling method. Data analysis for the three key variables was carried out using the Mplus software package.

## Results and Discussion

### *Analysis of Data*

Before analysing the data, it is crucial to observe the goodness-of-fit tests, as shown in Table 1. The chi-square value  $\chi^2/df$  (<5) is .000, and both the Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI) are 1.000. The Root Mean Square Error of Approximation (RMSEA) value is 0.000. These results indicate excellent fit indices for the structural equation model.

Table 1. Model Fit Information

<b>Chi-Square Test of Model Fit</b>		
Value		0.000
Degrees of Freedom		0
P-Value		0.0000
<b>RMSEA (Root Mean Square Error of Approximation)</b>		
Estimate		0.000
90 Percent C.I.	0.000	0.000
Probability RMSEA <= .05		0.000
<b>CFI/TLI</b>		
CFI		1.000
TLI		1.000

And the specific operation results are as follows.

Table 2. Maximum Likelihood Estimates Model Results

<b>Path</b>	<b>Estimate</b>	<b>S.E.</b>	<b>Est./ S.E.</b>	<b>P</b>
PAF_CF ← PAF_PR	.485	.060	8.086	***
PAF_CF ← PAF_TD	.316	.052	6.115	***
PAF_CF ← PAF_S	.440	.053	8.354	***
PAF_CF ← PAF_HRP	.258	.038	6.725	***
PAF_CF ← PAF_P	.139	.047	2.955	**
PAF_ES ← PAF_CF	.221	.073	3.025	**
PAF_ES ← PAF_PR	.500	.057	8.732	***
PAF_ES ← PAF_TD	.318	.051	6.205	***
PAF_ES ← PAF_S	.203	.045	4.466	***
PAF_ES ← PAF_HRP	.123	.033	3.686	***
PAF_ES ← PAF_P	.279	.048	5.800	***

Model results represent the significance of each path. When  $P < 0.001$ , the value of P will be displayed as "\*\*\*"; When  $P < 0.01$ , the value of P will be displayed as "\*\*". When the P value is less than 0.05, it is considered meaningful. As shown in Table 2, the P values of 11 path factor loads are all less than 0.05, which indicates that all 11 path factors are meaningful. Also, this table details the path coefficient of each path. According to the data, cultural factors have a significant positive impact on performance and reward practices ( $B=0.485$ ,  $P<0.001$ ), and cultural factors have a significant positive impact on training and development practices ( $B=0.316$ ,  $P<0.001$ ), cultural factors have a significant positive impact on staffing practices ( $B=0.440$ ,  $P<0.001$ ), HR planning practices ( $B=0.258$ ,  $P<0.001$ ) and HR practice projects ( $B=0.139$ ,  $P<0.01$ ), employee

satisfaction has a significant positive impact on cultural factors ( $B=0.221$ ,  $<0.01$ ). H2 was supported, and the partial regression coefficient of organizational culture reached statistical significance.

Table 3. The result of Standardized Total Effects

Parameter	Standardized Total Effect	95% Confidence Interval	
		Lower Bounds	Upper Bounds
PAF_CF ← PAF_PR	.485	.379	.587
PAF_CF ← PAF_TD	.316	.194	.424
PAF_CF ← PAF_S	.440	.350	.528
PAF_CF ← PAF_HRP	.258	.180	.325
PAF_CF ← PAF_P	.139	.043	.223
PAF_ES ← PAF_CF	.221	.066	.359
PAF_ES ← PAF_PR	.607	.502	.704
PAF_ES ← PAF_TD	.388	.293	.479
PAF_ES ← PAF_S	.300	.219	.381
PAF_ES ← PAF_HRP	.180	.118	.241
PAF_ES ← PAF_P	.310	.226	.389

As shown in Table 3, between cultural factors and HRM practice, after rounding, the indirect effects in 95% confidence intervals are [0.38, 0.59], [0.19, 0.42], [0.35, 0.53], [0.18, 0.33], [0.04, 0.22], these intervals do not include 0, illustrating that the total effect is significant. The total effect value of employee satisfaction and cultural factors is 0.221, and 95% confidence intervals is [0.07, 0.36], excluding 0, so the total effect is also significant. Between employee satisfaction and HRM practice, after rounding, the indirect effects in 95% confidence intervals are [0.38, 0.60], [0.22, 0.41], [0.10, 0.30], [0.05, 0.19], [0.20, 0.36], and all these five intervals excluding 0, showing that the total effect is also significant.

Table 4. The result of Standardized Direct Effects

Parameter	Standardized Direct Effect	95% Confidence Interval	
		Lower Bounds	Upper Bounds
PAF_CF ← PAF_PR	.485	.379	.587
PAF_CF ← PAF_TD	.316	.194	.424
PAF_CF ← PAF_S	.440	.350	.528
PAF_CF ← PAF_HRP	.258	.180	.325
PAF_CF ← PAF_P	.139	.043	.223
PAF_ES ← PAF_CF	.221	.066	.359
PAF_ES ← PAF_PR	.500	.383	.607
PAF_ES ← PAF_TD	.318	.220	.411
PAF_ES ← PAF_S	.203	.101	.298
PAF_ES ← PAF_HRP	.123	.052	.186
PAF_ES ← PAF_P	.279	.198	.364

Table 4 summarizes all the results of standardized indirect effect values and 95% confidence intervals, where the indirect effects of performance and reward practices, training and development practices, staffing practices, HR planning practices and HR practice projects on employee satisfaction are 0.107, 0.070, 0.097, 0.057, and 0.031 respectively. In addition, after rounding, the indirect effects in 95% confidence intervals are [0.01, 0.07], [0.02, 0.10], [0.03,

0.17], [0.02, 0.13], [0.03, 0.19], and none of these five intervals contains 0, indicating that the indirect effect is significant, and it has a mediation effect.

Table 5. The result of Standardized Indirect Effects

Parameter	Standardized Indirect Effect	95% Confidence Interval	
		Lower Bounds	Upper Bounds
PAF_ES ← PAF_CF ← PAF_PR	.107	.033	.187
PAF_ES ← PAF_CF ← PAF_TD	.070	.023	.131
PAF_ES ← PAF_CF ← PAF_S	.097	.030	.166
PAF_ES ← PAF_CF ← PAF_HRP	.057	.016	.101
PAF_ES ← PAF_CF ← PAF_P	.031	.005	.072

From the data results, it can be concluded that HRM practices can not only directly affect employee satisfaction, but also indirectly affect employee satisfaction through cultural factors. Further, this research adopts a more rigorous reporting method, that is, comparing the symbols of  $ab$  and  $c'$ , and if they have the same sign, it belongs to partial mediation effects, and reporting the total contribution rate of mediation effect, which is obtained by dividing the indirect effect ( $ab$ )

and the total effect ( $c$ ), that is Effect  $M = \frac{ab}{c}$ . By comparing the symbols with the same sign, can find that it belongs to partial mediation effects, that is, cultural factors have partial mediation effects between HRM practices and employee satisfaction. H1 was also supported. And through the standardized effect value calculation, it can be known that the proportion of mediation effects are 17.6% (0.107/0.607), 18.0% (0.070/0.388), 32.3% (0.097/0.300), 31.7% (0.057/0.180), 10.0% (0.031/0.310), respectively (see Table 5). Based on the above analysis, it can be able to conclude that the mediation effect of staffing practice contributes the most to the total effect.

### *Identification and Explanation of Staffing*

In HRM, staffing is a pivotal concept that encompasses how organizations determine, attract, select, train, assess, and retain employees to meet their needs. Its primary aim is to ensure that organizations possess an adequate quantity and quality of staff members who can effectively contribute to the organization's objectives (Pahos and Galanaki 2019, 4). However, in the context of this research, due to variable consolidation and renaming, staffing differs from its traditional definition. It predominantly focuses on recruitment and selection, as well as the written managerial documents related to training and development, and performance management. In essence, it emphasizes the processes of attracting suitable candidates to fill internal positions within the organization, assessing and selecting the most appropriate candidates for specific roles, which may involve methods such as interviews, tests, background checks, and the utilization of policy-related documents for training, development, and performance management.

### *Analysis of results*

The mediation effect of staffing yielded the highest return, suggesting that in cross-regional development, organizations should place particular emphasis on staffing practices when managing human resources. Effective staffing leads to better performance through adaptable and satisfied employees. Hence, organizations can prioritize optimizing staffing strategies to enhance employee performance and satisfaction.

Furthermore, this result may also indicate the presence of synergy between cultural factors and staffing. Culture's influence on staffing decisions and practices may play a role in selecting and configuring employees who align with the organizational culture. Conversely, staffing decisions and practices may also be influenced by organizational culture to ensure that selected



and allocated employees align with organizational values and expectations. This synergy may underscore the significance of staffing in mediating the return on investment.

***Discuss the implications of the research findings on HRM strategies for cross-regional development***

The data analysis results indicated that staffing played a major role in mediating among HRM subfields. This suggests that investing resources and attention specifically in this area can yield more pronounced benefits for the organization. This finding provides a crucial basis for formulating HRM strategies and offers guidance for enhancing HRM practices. In practical terms, this discovery can be applied in several ways.

To begin with, regarding strategic priorities, strategic investments can be moderately adjusted to allocate more resources, including financial and human resources, to the staffing subfield. This initiative may involve hiring specialized HR professionals or investing in advanced HR technologies tailored to personnel needs, such as applicant tracking systems, AI-driven resume screening tools, and virtual interview platforms. These tools significantly enhance the efficiency of recruitment and selection processes. Additionally, emphasis can be placed on training and skill development, specifically providing HR personnel with specialized training in staffing strategies, techniques, and technologies. This ensures they are well-informed about the latest staffing trends and best practices.

Moreover, in operational enhancement, large SOEs developing across regions require an efficient recruitment process to enhance staffing efficiency. Simplifying and optimizing the recruitment and selection procedures, leveraging technology, data analysis, and automation as much as possible, shortens the recruitment period and improves its quality. The integration of such technology brings benefits, such as understanding staffing trends, identifying successful recruitment patterns, and predicting future staffing needs. Data-driven decisions significantly enhance the effectiveness of staffing strategies.

Once a comprehensive recruitment and selection process is established, continuous improvement becomes imperative. This entails creating a mechanism for continuous feedback and enhancement. Regularly evaluating the effectiveness of staffing strategies, identifying areas that need improvement, and adjusting strategies accordingly are essential. Conducting periodic market research to stay abreast of industry trends and labour demands is particularly crucial for cross-regional development. Understanding the evolving demands of the local job market helps formulate staffing strategies to attract suitable talents.

Furthermore, when a significant amount of resources is put in, measuring the return on investment becomes important. This involves establishing metrics and Key Performance Indicators (KPIs) and conducting cost-benefit analyses. Specifically, developing crucial KPIs to measure the effectiveness of staffing efforts, such as fill time, recruitment quality, and retention rates, provides in-depth insights into the return on investment of staffing strategies. Regular cost-benefit analyses assess the financial impact of staffing plans, comparing the costs incurred during the staffing process with the value brought in by recruiting employees.

Conclusively, SOEs must prioritize compliance and diversification when entering new regions. Compliance ensures that all staffing practices adhere to relevant local laws and regulations. Non-compliance could lead to legal issues, potentially damaging the organization's reputation. Emphasizing the diversification and inclusivity of staffing efforts is crucial. Diverse teams often bring different perspectives and experiences, fostering innovative ideas and problem-solving approaches. Establishing diverse teams and cultures in various regions effectively enhances the organization's inclusivity and social responsibility.

By understanding that the highest return on investment in the context of cross-regional development comes from the staffing subdomain, organizations can adjust their human resources strategies to fully harness this knowledge. This customized approach can lead to more efficient

processes, optimized HRM practices, higher-quality employees, ultimately enhancing employee productivity and satisfaction.

## Conclusions

This research delves into the relationship between cultural factors, HRM practices, and employee satisfaction. The research reveals that the staffing domain plays a crucial mediating role in HRM practices. This finding offers practical insights for Chinese SOEs, emphasizing the significance of focusing on the staffing domain in the context of cross-regional development. It assists businesses in better formulating HRM strategies, enhancing HRM practices, and holds the potential to provide valuable inspiration in the realms of cross-regional enterprise management and cross-cultural management. Based on the research findings, the following recommendations are proposed: strategic emphasis should be placed on the staffing domain, involving adjustments in strategic investments and a focus on training and skill development. Operational efficiency should be enhanced, and continuous improvements made, utilizing technologies, data analysis, and automation. Regular measurement of return on investment is essential to promptly adjust strategies. Additionally, stringent attention should be paid to compliance and diversification aspects.

While this research has made significant findings, there are limitations to be acknowledged. For instance, the research sample may be limited, and future studies could consider expanding the sample size or including a more diverse range of enterprises. Additionally, this research focused on Chinese SOEs; future research could compare differences between enterprises of various ownership structures for a more comprehensive understanding. Simultaneously, this research introduced a new topic in its recommendations – the impact of emerging technologies on HRM.

In summary, this research not only provides practical guidance for HRM in Chinese SOEs but also offers valuable directions and insights for future research endeavours in the field.

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