



## **A STUDY OF DIVERGENT HRM PRACTICES AT PIZZA HUT ACROSS INDIA AND CHINA**

Scholar Name– Shalu Yadav  
Guide Name – Rahul Kushwah  
University Name – Vikrant University

### **Abstract**

*The investigation of contrasting HRM practices in Pizza Hut (India and China) serve to explore the influence of both culture and organisation on HR strategies in an international context. A descriptive comparative research design was employed to conduct the study via a structured interview, which was administered to 60 workers with concentration on recruitment, training, performance appraisal, compensation, and motivation. Frequency analysis showed that Pizza Hut India had stress on informal modes of recruitment and flexible training and clear performance appraisal, while Pizza Hut China stressed on formal sources of recruitment and centralized training and seniority based evaluation and extrinsic motivation. The results indicate the significance of culturally tailored HRM practices as a means to enhance employee satisfaction and operational performance within the global franchise environment.*

**Keywords:** Human Resource Management, Cross-Cultural HRM, Pizza Hut, India, China, Recruitment, Training, Performance Appraisal, Compensation, Employee Motivation.

### **1. INTRODUCTION**

In the modern world of business, companies are forced to deal with cultural and economic barriers in multiple countries and cultures. Human Resource Management (HRM) practices: recruitment and selection, training and development, performance appraisal, compensation and motivation they are very important in the quest for organizational success and competitive advantage. However, the adoption of HRM practices is highly contingent upon social values of local populations, conditions of the labor market, legal environments, and employee's expectations such that there are substantial differences between countries.

As one of the world's largest international quick service restaurants (QSR) chains, Pizza Hut has a global presence including in the vibrant markets of India and China – two of the world's strongest growing economies with different cultural, social and economic settings. Informal recruitment and relationship-orientated networks in an emergent HRM environment in India and the development of training methods is contrasted against the structured formal practices and centralised training systems in China operating within an HRM environment with a longstanding tradition of performance systems based on hierarchical seniority.

This paper intends to investigate and compare the differential HRM practices followed by Pizza Hut in two of its culturally distinct markets, India and China. Through comparisons between recruitment approaches, training systems, appraisal methods, reward packages, and employee commitment triggers, us this study tries to explore the way in which cultural and contextually distinctive patterns influence HRM policies in two very different countries. The results of this study will help MNCs develop their HR strategy to be more aligned with the local needs, yet staying in line with the global strategy in the long run, which will ultimately enhance employees' satisfaction, commitment, and organizational performance.

### **2. LITERATURE REVIEW**

**Bansal, Prashaant, Singhi, and Dhillon (2023)** gathered central KEYNOTES and best practices in management with focus on HR views. Their research demonstrated the critical importance of successful HRM in improving employee engagement, satisfaction, and productivity, particularly in service industries such as QSRs that have a high-velocity operational focus. This call for 'working out your people' suggests those organizations that establish structured and culturally specific HR measures are more likely to perform better as a result of lower staff turnover and improved service quality, for example.

**da Silva Leal (2022)** studied the manner in which companies adjust their strategies in different cultural environments. The study indicated cultural values and norms associated in doing a business in another country especially HRM. This research implies that HR practices cannot be universal in different regions, instead, they should be contextual in order to manage differences stemming from people's needs, motivation, and communication method of local employees. This cultural fit was especially important for international chains such as Pizza Hut which end up in a whole different market like India or China.

**Mujtaba (2022)** cited high attrition as continued concerns impacting day-to-day operations and the quality of customer service. Mujtaba gathered from an in-depth investigation that Job satisfaction, perceived career development opportunities, working conditions, and managerial support were important for the retention of the



employees. The research also pointed out that fast-food workers experience stress associated with their jobs and the little possibility of career advancement, which contribute to turnover. They found that adopting HRM strategies designed to deal with such challenges was crucial in managing an engaged and stable workforce.

**Ababneh, Ponnaiyan, ElMelegy, and Prybutok (2022)** Investigated Factors of Customer Satisfaction and Behavioural Intention in Fast Food Restaurants in the Course of Covid-19 Investigating undergraduate students, their study found that service quality, safety measures and employee interactions were also significant factors in shaping customer's perception. The study highlighted well trained and motivated staff that follow hygiene protocols are critical in terms of ensuring customers has confidence in visiting even when there is a health crisis. This discovery associated the significance of HRM practices, such as training and performance appraisal directly to customer's results in QSR industry.

**Yesmin (2024)** analyzed the motives that lead consumers to online food ordering apps in Bangladesh focusing on trust and repeat purchase intention. The above research found trust of service reliability and employee professionalism to be critical antecedents to facilitate food delivery services as a repeat service usage. This emphasised the indirect but vital purpose that HRM practices play in establishing employee behaviours and service quality that promote customer trust and loyalty in the digital era.

### **3. RESEARCH METHODOLOGY**

The present study has used a descriptive comparative research design to identify the differences in HRM practices between Pizza Hut in India and China. The study aimed to compare between HRM practices in relation to basic HRM activities: recruitment and selection of employees, employee training, performance appraisal, employee compensation, and employee empowerment to perceive cultural and institutional differences between the two countries.

#### **3.1. Research Design**

A cross-section research design was applied with respect to the perception and experience of HRM practices among staff of Pizza Hut. The study sought to identify patterns and variation in HRM across the two national contexts and did so through collecting and analyzing quantitative frequency data.

#### **3.2. Sampling Technique**

Employees in Pizza Hut outlets in metro cities of India were selected using a purposive sampling technique. Front-line workers, line managers, and HR workers who are directly associated with HRM processes and procedures were sampled. The complete sample included sixty participants (30 from India and 30 from China to ensure comparative coverage).

#### **3.3. Data Collection**

The data were collected through a structured interview schedule that was designed to collect data on the presence or absence of specific HRM practices and employee perceptions. Questions included those about the recruitment procedures adopted, types and availability of training programs offered, features of performance appraisal in use, components of the compensation package offered, and aspects of the workplace conducive to employee motivation. The participants were required to indicate the HRM practices they have experienced in their places of employment. The responses were then recorded as frequencies which represent how many participants reported each practice in the respective country.

#### **3.4. Data Analysis**

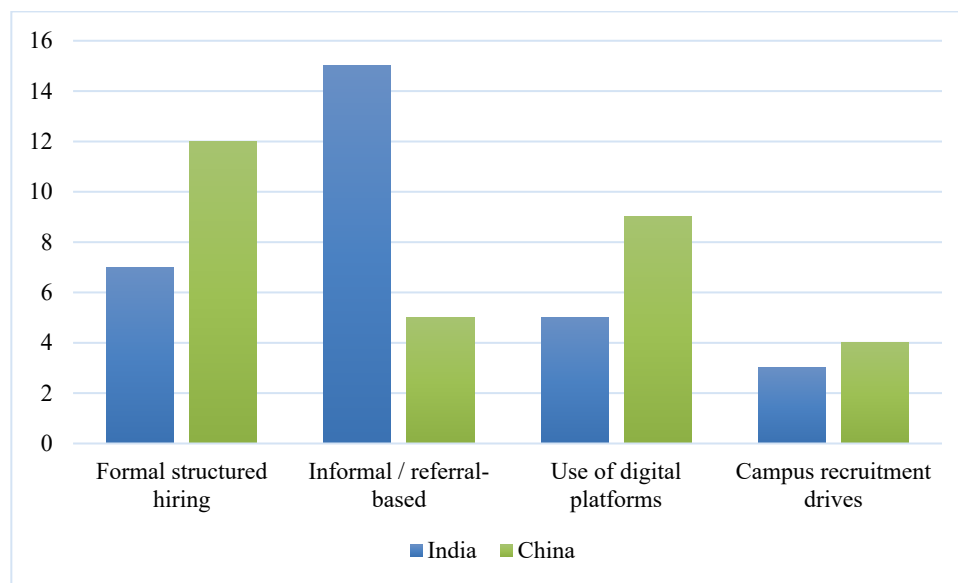
The data derived from the questionnaires were formatted as frequency tables summarizing the numbers of respondents reporting positive attitudes toward specific HRM practices or effects in India and China. Comparisons were drawn by analyzing the variance in frequency across the two sets and by pointing out other HRM practices and employee experiences.

The frequency counts permitted simple descriptive comparisons of HRM differences between the two countries' Pizza-Hut chain operations, without recourse to complex scaling instruments.

#### 4. RESULT AND DISCUSSION

**Table 1: Recruitment Practices Reported by Employees**

Recruitment Practice	India	China
Formal structured hiring	7	12
Informal / referral-based	15	5
Use of digital platforms	5	9
Campus recruitment drives	3	4

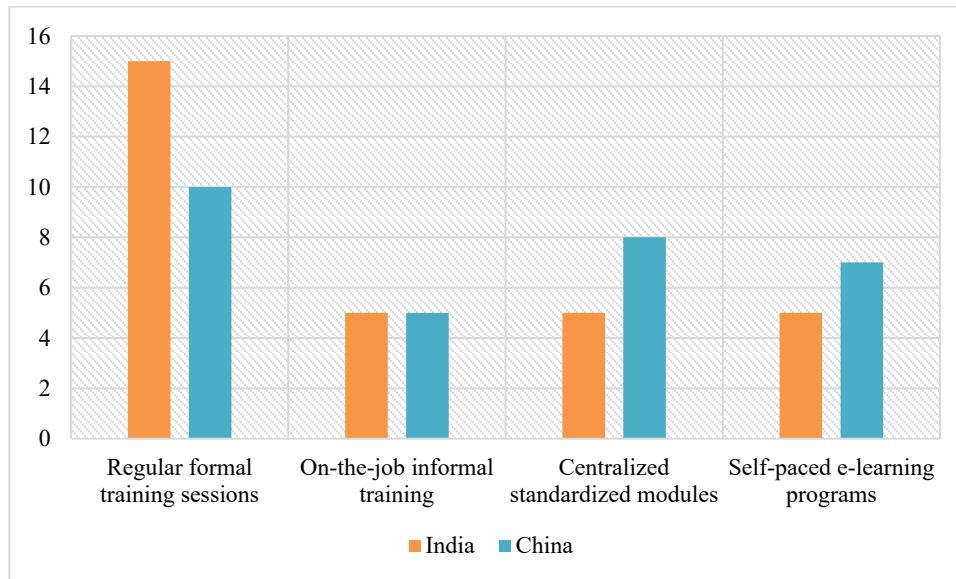


**Figure 1:Recruitment Practices Reported by Employees**

Table 1 highlights divergent recruitment strategies at Pizza Hut in India and China. The informal or referral-based hiring was the most frequent hiring mechanism for the Indian employees (15 employees) with only 7 experiencing the formal structured hiring. This indicated a preference for relationship-based recruitment. Low utilization of digital platforms use (5 employees) and campus recruitment drives (3 employees). On the other hand, in China, formal structured hiring trended higher (12 employees), with more emphasis placed on digital (9 employees) and a bit more on campus drives (4 employees). Informal recruitment was least common in China (5 workers). This indicates that Pizza Hut (China) is more likely to adopt formal and technology-supported recruitment processes while the Indian operations tend to implement informal and network-based recruitment methods.

**Table 2: Training Programs Availability**

Training Program Type	India	China
Regular formal training sessions	15	10
On-the-job informal training	5	5
Centralized standardized modules	5	8
Self-paced e-learning programs	5	7

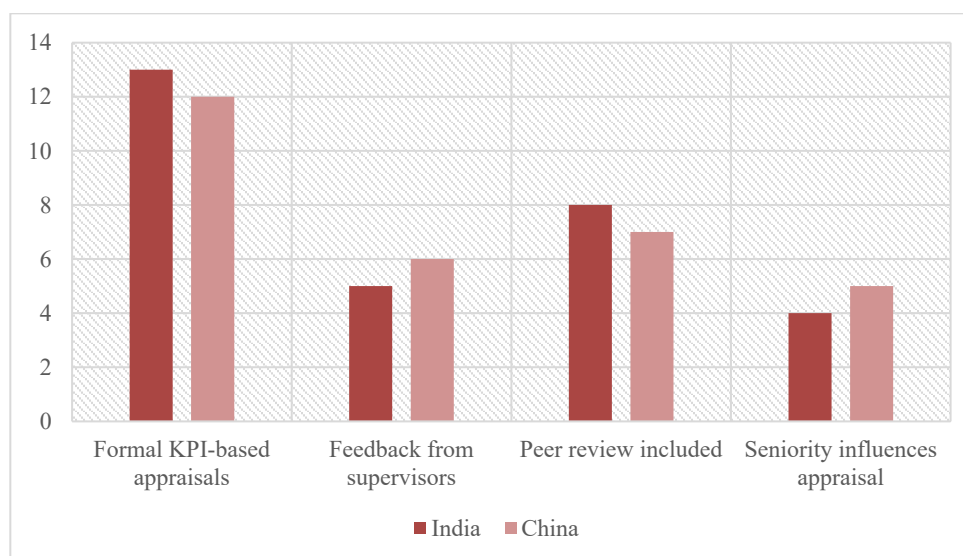


**Figure 2: Training Programs Availability**

From Table 2 both Pizza Huts in China and India concentrate on providing different training programs, but with specific emphasis on certain aspects. The most prevalent category of training programmes received in India was regular formal, with 15 Indian employees citing this, while other varieties, such as on-the-job informal, centralized standardised modules and self-paced e-learning, were less commonly reported by 5 employees each. In China, fewer employees reported being formally trained (10), although a smearing tendency was observed towards using central standardized modules (8) and self-paced e-learning programs (7). On-the-job unstructured training in both countries was also very low (5 employees each). This suggests that India has a bias towards formal training but China has a more even blend of the two, including some formal sessions, as well as standardized modules and e-learning.

**Table 3: Performance Appraisal System Features**

Appraisal Feature	India	China
Formal KPI-based appraisals	13	12
Feedback from supervisors	5	6
Peer review included	8	7
Seniority influences appraisal	4	5

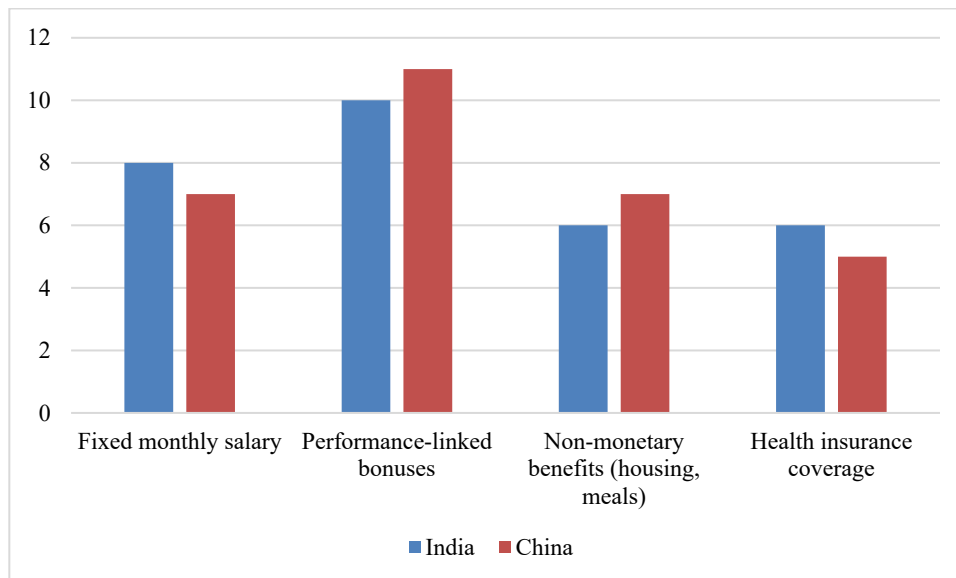


**Figure 3: Performance Appraisal System Features**

Table 3 Performance appraisal of Pizza Hut in India and China Evidently the performance appraisal practices at India Pizza Hut and China Pizza Hut are similar to some extent but still differ a bit. Formal KPI-based appraisals are relatively common in either country, used by 13 staff in India and 12 in China. Supervisor feedback appears to be close to minimal at both sites, reported by 5 in India and 6 in China. Peer reviews are somewhat part of the equation with 8 employees in India and 7 in China who are aware of them. Seniority has less of an impact on appraisal in both countries as well, as indicated by 4 employees (India) and 5 employees (China). Overall, appraisal practices seem to be relatively similar between the two countries, adopting little formal quantification (with few ratings) and providing marginal focus on seniority.

**Table 4: Compensation and Benefits Offered**

Compensation Aspect	India	China
Fixed monthly salary	8	7
Performance-linked bonuses	10	11
Non-monetary benefits (housing, meals)	6	7
Health insurance coverage	6	5

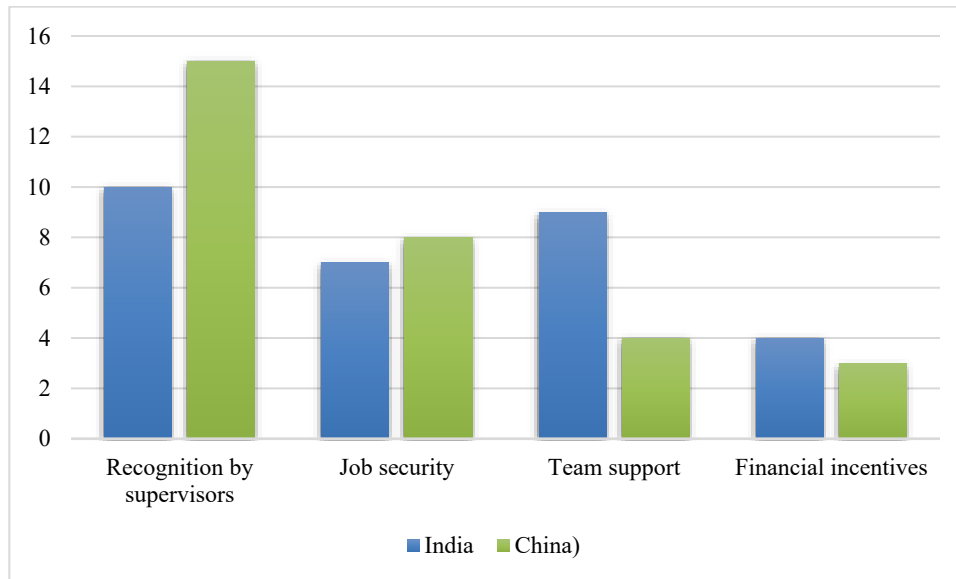


**Figure 4: Compensation and Benefits Offered**

Compensation and benefits Employee pay and benefits at Pizza Hut India and China For Pizza Hut the compensation and benefits system appears pretty much similar in India and china both however it is slightly modest. Eight workers in India and 7 workers in China mentioned fixed monthly wages, implying some basic wage structure for most workers. Performance-based bonuses were somewhat more widespread with 10 Indian employees and 11 Chinese employees awarded such bonuses, indicating a degree of emphasis on performance remuneration. Housing and meals were also afforded to a minority, 6 staff in India and 7 in China. Health insurance was rare, with reporting from only 6 India-based employees and 5 China-based employees. On the whole, it appears that both the desktop locations offer a base compensation and some basic benefits, although these are still quite small on the spectrum and could vary based on role and location.

**Table 5: Employee Motivation Factors Cited**

Motivation Factor	India	China)
Recognition by supervisors	10	15
Job security	7	8
Team support	9	4
Financial incentives	4	3



**Figure 5: Employee Motivation Factors Cited**

There are noticeable variations in the primary motivation factors reported by the Pizza Hut employees in India and China that are presented in Table 5. In China, appreciation from supervisors was the most often reported motivator (15 employees), followed by job safety (8 employees), revealing the report about a strong desire for external acknowledgment and job safety. Indian employees valued team support, unlike their Chinese and US counterparts (9 as compared to 10 of Indian employees preferred recognition), indicating greater propensity for work teams. Financial incentives were the least reported motivators in both countries with only 4 in India and 3 in China stating financial incentives as motivating. The general impressions from the evidence is that while both groups value recognition and job security, Chinese priority is team dynamics while Indian priority is supervisory recognition.

## 5. CONCLUSION

Through the comparison of the two countries' frequency data, this article concluded that there are significant differences between Pizza Hut of HRM practices implemented in each of the cultural and organizational environments and what they actually practice. Indian operations appeared to be characterized by more formal and merit-based recruitment, adaptable training methods, transparent performance evaluations, and intrinsic motivation factors such as team support and recognition. Chinese divisions, however, emphasized informal referral-based hiring, and centralized, standardized training, as well as a seniority-based performance evaluation system and extrinsic rewards such as job security and fixed level of pay. These results underscore the importance of multinational corporations such as Pizza Hut to customize HR practices within the context of local culture-driven work values and expected work behaviours in order to maximize employee satisfaction and operational efficiencies from local markets.

## REFERENCES

1. Ababneh, K. I., Ponnaiyan, S., ElMelegy, A. R., & Prybutok, V. (2022). Determinants of customer satisfaction and behavioral intentions in fast-food restaurants among undergraduate students during the COVID-19 pandemic. *Quality Management Journal*, 29(2), 104-124.
2. Bansal, S., Prashaant, A., Singhi, R., & Dhillon, L. K. (Eds.). (2023). *Management in Action: An HR Perspective*. Taylor & Francis.
3. da Silva Leal, S. P. (2022). *Marketing Strategies Among Different Cultures and Businesses (Doctoral dissertation, Instituto Politecnico do Porto (Portugal))*.
4. Darwish, T. K., Singh, S., Batsakis, G., & Potočník, K. (2024). Cross-country analysis of HRM parameters in emerging markets: an assessment of measurement invariance. *British Journal of Management*, 35(2), 692-705.
5. Fuchs, M. (2022). Market entry modes. In *International Management: The Process of Internationalization and Market Entry Strategies* (pp. 179-230). Berlin, Heidelberg: Springer Berlin Heidelberg.
6. Harney, B., & Collings, D. G. (2021). Navigating the shifting landscapes of HRM. *Human Resource Management Review*, 31(4), 100824.





7. Kroon, B., & Paauwe, J. (2022). *HRM in 21st century small organizations: a midrange typology to describe, contrast and contextualize the phenomenon. The International Journal of Human Resource Management*, 33(16), 3224-3251.
8. Lakshman, C., Wang, L., Adhikari, A., & Cheng, G. (2022). *Flexibility oriented HRM practices and innovation: evidence from China and India. The International Journal of Human Resource Management*, 33(12), 2473-2502.
9. Leal, S. P. D. S. (2022). *Marketing strategies among different cultures and businesses (Doctoral dissertation)*.
10. Malik, A., Pereira, V., Budhwar, P., Froese, F. J., Minbaeva, D., Sun, J., ... & Xue, S. (2022). *Multilevel relational influences on HRM practices: a cross-country comparative reflective review of HRM practices in Asia. Asian Business & Management*, 21(5), 745.
11. Mujtaba, Z. B. (2022). *The Challenge of Employee Retention in the Quick-Service Restaurant Industry (Doctoral dissertation, California Southern University)*.
12. Murphy, L. (2023). *An investigation of global HRM practices: are practices converging or diverging in the modern day?. Strategic HR Review*, 22(3), 74-80.
13. Poór, J., Jepsen, D. M., MusztynéBátfai, B. V., Pótó, Z., Veresné Valentinyi, K., & Karoliny, Z. (2021). *Regional HRM trends in private and public sectors: A comparative approach. Journal of East-West Business*, 27(4), 311-331.
14. Wajeeh-ul-Husnain, S., Shen, J., & Benson, J. (2022). *HRM practices in South Asia: convergence, divergence, and intra-regional differences. Asian Business & Management*, 1-22.
15. Yesmin, S. (2024). *What Drives Bangladeshi Consumers' Use of Online Food Delivery Applications? Investigating the Role of Trust in Repeat Purchase Intention*.

