From Indigenous to Colonised:

the Recruitment Practice of

the British Colonial Administration in Hong Kong, 1845 – 1932

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Abstract

This research examines the recruiting practice of the British Hong Kong (HK) Colonial Government before the Japanese occupation (from 1845 to 1932), as well as its corresponding influencing factors. By understanding the HK Government's dynamic attitude towards different nationalities, the work discusses the national hierarchy within the government. Mixed research method is applied in this work: benefited from a unique record known as the Blue Book which offers employment details of civil servants in HK, it is allowed to generate the staffing characteristics from multiple aspects and the changes by a longitudinal view through quantitative method; on the other hand, qualitative analysis towards related historical materials facilitates the understanding of influencing elements. Suggested by the results, the HK Government typically utilised ethnocentric staffing approach in the whole period. However, the more interesting findings show the government increasingly relied on the locals along with time, and the asynchronised speed of Chinese staff population overtook other nationalities within different departments. Considering the staffing practice as a social phenomenon situated in a particular social context, the research also attempts to discuss the rationality of the previously discussed recruitment approach.

It is expected the study of Colonial Government can grasp a deeper sense from the social and historical aspects, filling the gap of Colonial HK history, whilst simultaneously moving the focus of the international recruitment from concerning employee's nationality to the cultural and social background. Eventually, this research expects to develop and contribute to the literatures of IHRM especially from the perspectives of ethnocentric staffing and homosocial reproduction.

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Abbreviations

EPGR model	Ethnocentric-Polycentric-Geocentric-Regiocentric model
HCN	Home Country National
HK	Hong Kong
HRM	Human Resource Management
IHRM	International Human Resource Management
MNE	Multinational Enterprise
PCN	Parent Country National
TCN	Third Country National

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Chapter 1 Introduction

1.1 Research Introduction

This research unpacks discussions on the recruitment practice of the Colonial Administration in HK, aiming at exploring the treatment conditions of different ethnical groups in the HK Colonial Government. It will also trace their development over time, before Japanese occupation, in order to deepen perception of the ethnic structure or hierarchy and its dynamic changes during the colonial administration. Furthermore, the research will dig into the dimension of social context, to extract and analyse the motivating factors behind the recruitment practices and their effects. The research will especially put effort into understanding the interaction of the HK Colonial Government and the social environment in which the Government was spatio-temporally situated, in order to uncover the essential catalysts that drove the transformation of the its recruiting practices.

Chapter 1 will generally introduce this research as a whole and, most importantly, detail the historical background in which the Colonial Government found itself. It is essential to understand the context wherein all the phenomena took place as this offers a logical basis from which to explain the behaviour rationales. Chapter 2 explains the methodology of the research, wherein I will introduce the mixed research methods, especially the unique secondary data that applied in this piece of work. In Chapter 3, I will address the literature related to this subject. Based on the logic of critical theory, this research specifically brings a dynamic view to bear to analyse the social context changes longitudinally, in order to enhance understanding as to the interaction of social

environment and organisational behaviours. In this way, the author expects to analyse the rationalities of the Colonial Government's recruitment practices, as well as its development over time. Chapters 4 to 6 focus on quantitative analysis: identifying the staffing approaches that were adopted by the Government in different phases, whilst simultaneously discussing its development over the whole research period. Chapters 7 and 8 use qualitative analysis, from a social context perspective, elaborating the influencing factors of the Government's recruiting practices, as well as the driving forces that facilitated change from a longitudinal standpoint. The last chapter concludes the whole research, integrating the quantitative and qualitative analyses and addressing the potential contributions of this research.

The HK Colony was brought into the British imperial system as a result of British victory in the rather "unethical" Opium War over the Qing Government. The latter was the last feudal government in Chinese history and the in-power authority at the time the Colonial Government was established (Guo, 2012). The significance of taking HK was far wider than simple territorial gain; it strategically secured a sheltered bay in south China for safeguard purposes and facilitated trade with China. Thus, the purpose of the Colonial Government was not much different than the early-moving multinational enterprises (MNEs) that are expanding into foreign countries where their practices and policies are very much unknown (Chai, Cheung and Kwong, 2016).

Many of the existing HK-related studies focus more on the system from a political perspective. The researchers are fascinated with the establishment of the colonial system and its operation in HK's social environment (King, 1975; Bray and Lee, 1993; Morris and Scott, 2003). Other studies focus on the aspect of culture and the HK

people's identity, especially during late and post British colonial rule (Luk, 1991; Morrison and Lui, 2000; Chan, 2002; Kam-Yee and Kim-Ming, 2006). There also are a few research works that concern the operations of the colonial administration, such as those relating to the HK Police Force (Miners, 1990; Jiao, Lau and Lui, 2005), but any discussion on other Colonial administrative departments has been left relatively ignored. So far, in terms of the research of this thesis, very little systematic discussion of the HK Colonial Administration from the human resource recruiting perspective could be found, making this research a pioneer in this area. Apart from this potential contribution, the research of this thesis is also expected to fill other research gaps, from theoretical and practical perspectives, which will be discussed in detail later.

To achieve a complete concept of the historical event from the human resource recruitment perspective, this research employs the explanatory sequential design, applying mixed research methods. The research process is conducted in two phases: the quantitative analysis phase that highlights and tracks the recruitment policies and practices in the Colonial Government; and the subsequent qualitative analysis phase that focuses on revealing the reasons behind the practice phenomena, from a social environmental context perspective. As a result, there is a total of five research questions that will be discussed within the data analysis section. These are more or less:

- Whether the British HK Colonial Government adopted an ethnocentric staffing approach in its initial stage?

- Did the staffing approach experience changes over time?

- What changes did the recruitment practice go through from a micro perspective?

- Why did the Colonial Government apply/not apply the ethnocentric staffing approach?

- What were the factors that influenced the change in recruiting practice over time?

The research aims to answer these questions by investigating both quantitative and qualitative data in the time span from 1845 to 1932.

This research explores an area that has been barely touched upon by previous studies. Its significance is demonstrated by its potential practical and theoretical contributions. First of all, apart from revealing the accurate historical reality of the HK Colonial Administration, this research puts effort into deconstructing the social environment in which the Colonial Government was created. In this way, the author seeks to understand the external social environment of an MNE and to further explore the interaction between the social environment and these organisations. Practically speaking, the research hopes to materially support MNEs that face similar situations to those the Colonial Government did in their internationalisation process. From a theoretical standpoint, based on the understanding of the rationales or reasons behind the recruitment practices of the Colonial Administration, and their changes over time, this research will advocate an overhaul of the Ethnocentric-Polycentric-Regiocentric-Geocentric (EPRG) staffing model: from focusing on ethnicity to cultural similarity. In this way, recruitment approaches today will be likely to avoid the drawbacks and criticisms that could be caused by the lack of appreciation of certain nationalities.

As an historical research, it possesses great significance - especially due to its connection with events in the territory at the current time. Due to the establishment of the Special Administrative Region, HK has kept its established system from the colonial era for at least 50 years (HK Basic Law Drafting Committee, 1997). This

means that, today, the HK administration's settings can be considered as the institutional legacy of the colonial era (LEE, 2003; Jiao, Lau and Lui, 2005). Therefore, learning the history of the colonial administration can in fact reference the practice of today. In June 2019, a massive protest triggered by the planned changes to the territory's extradition laws took place in HK and quickly drew international attention (BBC News, 2019). HK, especially its administrative tradition, has been hotly argued and debated again and again. This research hopes to showcase the discussions and arguments held by the public, media, politicians and scholars of today against the backdrop of historical facts and analysis as supporting evidence.

Certain limitations inevitably apply in this research. Available official historical records contain only basic staff information such as name, salary, time of appointment, periods of absence during the year, etc. However, the very important independent variable, that of nationality, which is also the basic tenet of the following qualitative discussions, was not originally recorded. This factor necessarily introduces the risk of inaccuracy to the study. To avoid/diminish the risk, the research had to remove a number of employees who, for the most part, worked as manual labourers or in similar positions of little power or significance to the Colonial Government — in turn, possibly resulting in a lack of inclusivity. Thus, in order to maximise the data and information available, rather than tracking each individual's specific nationality, the research has expanded to allow the consideration of a broader ethnic background, in the event that an employee's nationality cannot be confirmed. In this way, our study will avoid the risk of constrainedly categorising staff into a nationality, when it is difficult to do so, and also mitigate unnecessary exclusion of employees from the data pool; thereby improving the inclusiveness and comprehensiveness of the study results.

In the following sections, for the benefit of understanding this research, especially the qualitative analysis of social context, I shall start with introducing the historical background: setting up a historical atmosphere and portraying a holistic view of historical events.

1.2 Research Context

1.2.1 Historical Events

The history of English trade in China can be traced to the early 17th century when British companies were established in Japan. Commercial intercourse between the Chinese and the British was conducted in Taiwan (Tywan) and Amoy by these English-Japanese businesses. Attracted by the lucrative profits derived from the trade, the East India Company sought to begin collaboration with the Chinese in Macao and Canton. These early attempts were initially unsuccessful as the Portuguese had been occupying Macao since 1557 A.D., however, through negotiation, the East India Company eventually gained permission to enter Macao to open up trade and enjoyed a modicum of success in the subsequent decade, both in Macao and Canton (Eitel, 1983). However, in the mid-seventeenth century, the Qing government adopted a different attitude to foreign trade. They were satisfied with China's vast territory and abundant resources and looked down on foreign business behaviour. For example, in 1681, the Qing government destroyed the agencies in Amoy which had been established by the East India Company (Eitel, 1983).

During Qing's time, the British and Portuguese were considered the same flock and were allowed to continue operating their businesses, but under very restrictive and heavily monitored conditions, as well as vast payouts, that greatly hindered their development. In fact, negotiation and conflict between the British and Chinese was continuous throughout that period. In the 1770s, the East India Company secured a monopoly over the dark opium trade. This trade created great wealth for Britain but resulted in China suffering silver shortages and serious social issues, that hit the Qing Government hard (Guo, 2012). This untenable situation is what set the scene for the events that followed.

After the 19th century, a general idea was formed amongst the British that Qing's policies would never change unless forced to do so, which suggested that operating trade in China, especially the opium trade, was unlikely happen without the use of military force. At the same time, British merchants had designs on the whole Chinese market and resented their treatment at the hands of Qing's government (Endacott, 1959). With tensions over the opium trade as the fuse, the first Opium War, as the means of re-opening the Chinese opium market, broke out in 1840. HK was occupied in 1841, which is the year that, in reality, HK became a colonial subject of Britain. HK became a free trade port through a decree published by Sir Charles Elliot, the chief superintendent of British trade at the time. This policy immediately attracted many merchants who used to run businesses in Canton and who now moved to HK, putting the colony at the heart of the Sino-Western commercial system (Xiao, 2013).

Elliot played an important role in picking HK as a pre-eminent colony, a choice not universally acknowledged in Her Majesty's Government. This was not a random choice

but had long been prepared for by Elliot since he had been brooding about the Portuguese threat to Britain's trade in Macao. He hence sought out other islands as potential rivals from which to build and orchestrate a commercial empire (Endacott, 1962). British control of HK was officially confirmed by the Treaty of Nanking, which is the first unequal treaty in Chinese history that ceded assets and land to a foreign imperialist power, in 1842 (Guo, 2012). In the next year, Sir Henry Pottinger, the chief British superintendent of trade in HK, set up the HK government, based on the recommendations of the Letters Patent issued by the Privy Council. He subsequently became the first governor of the HK government (Eitel, 1983).

After the establishment of the British HK Colonial Government in 1843, Britain took quite some time to build and consolidate its rule (Xiao, 2013). The purpose of this government was not for territorial gain as a traditional colonial institution, but to establish a 'safe haven' in the south of China, where the free trade could be unfolded within China (Carroll, 2007), made it had no difference to a MNE. On the other hand, HK, as far as China, was a new land where HK Colonial Government owned very limited knowledge of the local environment. Therefore, in a sense, British HK Colonial Government is considered as a first – moving firm, dealing with unknown conditions, which often including serious resources and manpower constraints (Chai, Cheung and Kwong, 2016). Hence, the ethnocentric recruitment method, which tends to apply PCNs to the crucial positions could be helpful to carry the Colonial Government through the tough situation. It is also recorded that all officials, in fact, were transferred from other British colonies to fill these posts in the early stage (Eitel, 1983). The British government faced obstructions early on, demonstrated by their attempt to enter Canton City. Access to the city had been negotiated in the Treaty of Nanking, but they encountered resistance from both the Qing Government and other civilian

organisations. As a consequence, progress in opening up Canton was kept to a minimum until the Second World War, when control of Canton city was secured by force (Carroll, 2007).

The Convention for the Extension of HK Territory was signed between the Qing Government and the British in 1899. This agreed an extension of 99-years to the lease of the HK Colony (Tsang, 2003). As a result of this signed lease, HK remained under the British Crown for one and a half centuries, with its handover being completed on 1st July 1997 after a long negotiation between the two government authorities. HK's handover was accompanied by the HK Basic Law being put into effect. As stated in the Basic Law, "The socialist system and policies shall not be practised in the HK Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years" (HK Basic Law Drafting Committee, 1997). This was a special governmental ruling, widely known as "one country, two systems", that was put in place to solve HK related issues. During the years that HK was under British rule, it experienced a series of systemic reforms covering all aspects of governmental and civil service management, as well as the development of infrastructure construction.

In general, British colonial governance lasted about 150 years, from 1842 to 1997 (except for the brief interlude of Japanese occupation in the Second World War, from December 1941 to August 1945). British governance in HK had been distinguished from most other colonial forms of rule, which were based on predation and administered by force, and the Motherland had intended to *absorb* HK into its domestic administrative system while conducting a battery of development measures, nurturing a novel type of relationship between colony and coloniser. HK was to be made an

Anglo-Chinese Colony in which Her Majesty's government's many thousands of Chinese subjects, with a thorough knowledge of the English language, an understanding of and training in English law, appreciation of the British Constitution, and an ardent loyalty to both their Queen, Victoria, and to this distant but increasingly influential part of Her Empire, were intended to play a fundamental role in the commercial, political and social life of the colony. It was believed that the education scheme would accomplish great practical results if it assisted in achieving this.

Although British imperial domination is widely considered an ignominious part of Britain's history, there is no doubt that, in HK at least, it objectively started a developmental track and modernisation process that had a profound and lasting influence. The prosperity that is seen today was built on a deep scar. People are enjoying what has been achieved. This is not being censured, but the history should always be respected.

1.2.2 European Attitudes towards the Chinese

As with other colonies, HK's multitude of ethnic groups lived and worked together in its early stages. Chinese, Europeans (including British and non-British Europeans), Indians, Jews and Americans shared the land and participated in different industries. Generally speaking, these people lived in two distinctive areas – Europeans and other foreign businessmen claimed superior and better resourced land, while most Chinese lived on the outskirts of the city, such as the hillsides (Carroll, 2007). Here too a large number of Tanka people, who traditionally lived on boats, had appeared (Anderson, 1970). For Europeans, acquiring a position in the colonial government could bring them a higher social status and a better lifestyle than in their homeland, a possibility that

largely drove them to relocate to HK. The European working class in the colony primarily consisted of policemen, government inspectors, soldiers, mechanics and artisans who were attracted by a better salary than working in Europe (Ngo, 1999). Generally speaking, many reasons drove well-educated Europeans to start a new life in HK, but one was obvious – ambition, a burning desire to make a difference in life (Lethbridge, 1978).

In general, these two groups did not get along well and had a cautious and even hostile attitude when dealing with each other. As in other colonies, European attitudes to the Chinese can be summarised as ethnocentric (Lethbridge, 1978). Even though social communication between the Chinese and European was broken in the early stages of British rule in HK, this does not mean there was no contact at all. Due to the huge gaps in traditions (particularly regarding food hygiene), customs and living conditions, the Chinese were complained about in terms of the stench, endless noise and crowded buildings. As a result, the Europeans regarded themselves as an especially privileged and elegant community (Carroll, 2007). Few Europeans in HK could speak any Chinese dialect and were not remotely interested in the Chinese history, language or society. The Chinese were not treated as having the same importance as their own community.

The Chinese were treated as badly by the Europeans as the Europeans treated their own lower orders. It was not uncommon for the Chinese to be abused by British officers 'as if they were a very inferior kind of animal to themselves' (Pope-Hennessy, 1969). For most Europeans, the Chinese they had any contact with were those working as servants or chair and rickshaw coolies (Lethbridge, 1978). Although services were offered to Europeans, corresponding respect was rarely received. For example, coins were thrown

on the ground rather than handed over to the person, and there were occasional accounts of British colonial administrators beating a Chinese service provider, usually in an argument over the fare (Carroll, 2007). In theory, as stated by Endacott, the official European attitude towards the Chinese was liberal, but "*much of the legislation providing for law and order discriminated against them*" (1959, p. 70). For example, a very strict curfew was imposed, according to which "*Chinese could not walk about after nine o'clock in the evening without a note from their employers, and had to carry lanterns after dark*" (Endacott, 1959, p. 70).

One notable point is that the Chinese who became Christian and accepted Christianity were treated as a higher class than the 'normal' Chinese, which made it easier for them to become English subjects (Smith, 2005). Along with the policy of opening up to the outside world, the Chinese exploited more opportunities to come into contact with new things, something which gradually led to changes in how they were perceived, especially in the later stages of British colonial control when many Chinese officials were able to get positions in the HK government (Lethbridge, 1978). One prominent example is the case of Wei Yuk, the son of Wei Akwong and recognised as one of the wealthiest Chinese in HK. He had five years' education in Britain behind him, which helped him acquire an idiomatic grasp of the English language and an understanding of British society and habits, preparing him for later social intercourse among Europeans. So it was not at all surprising to anyone when Wei Yuk became justice of the Peace in the HK government and gained a good reputation in European circles (Lethbridge, 1978).

In addition to the Europeans and Chinese, the Indians formed a sizeable portion of HK's population (Law and Lee, 2013). At that time, the Indian group was primarily

made up of two sub groups: merchants, such as those involved in the opium trade who came from the East India Company; and those who worked as soldiers/policemen or low level bureaucrats in the colonial government. Since British colonial activities in India had been honed and refined over a century before the British took control of HK, the Indians as a group were more trusted than the Chinese. At the same time, however, like the Chinese, the Indians were still Asian, even if they did not have a particularly strong or close relationship with the Chinese. As such, they were driven to marginal status, belonging neither to the conquering Europeans nor to the indigenous Chinese, gradually forming a group unto themselves (Law and Lee, 2013).

So it was in this dynamic social context, that the HK Colonial Government practiced its colonial control. This research aims to reveal its recruitment strategies and track its development during the course of its reign.

Chapter 2 Literature Review

2.1 Introduction

This chapter attempts to establish the theoretical framework in which the research was conducted. The idea is to build an understanding of the logic behind the research's design and development, and especially to construct relationships between related concepts, in order to allow the arguments to unpack reasonably.

This research is based on the philosophy of critical theory. In a broad sense, critical theory enables the investigation of the interaction between history and the current day, between cultural and social realities, as well as between the social environment and organisational behaviours in our chosen social setting of the Hong Kong Colony (Bohman, 1996; Carr, 2000). Through discussing the inherent connection between critical theory and the dialectics, it becomes clear that perception is inextricably intertwined with sociality and historicity (Geuss, 1981; Carr, 2000; Ogbor, 2001). This intertwining is the foundation of our discussion on social context. Section 2.3 focuses on culture, a typical form of human perception. We reveal the influence of culture in the communicating environment where sociality and historicity are intertwined. The following section (Section 2.4) will focus on the phenomenon of cultural conflict, which often arises during the 'communicating' process when different groups are involved. The concept of power is explored to understand the behaviours of groups that possess varied cultural identities in a culturally conflicted situation. Additionally, power can be used to explain people's action incentives and the trend of the phenomenon's development. Historically, colonies have been broadly considered to be the typical environment in which cultural conflict would take place (Bailey, 1969;

Cooper, 1994; Robinson, 2014). It is the social context of just such a colony that is the focus of this research. In Section 2.5, I reiterate the concept of oppressions and characteristics of colonialism from the cultural conflict perspective. Furthermore, I discuss the approach within which the dominant and subordinate cultures reciprocally challenge and interact with each other in a certain social context, eventually re-shaping the social reality (Thompson, 1990). This chapter concludes with its view on the international organisation's managerial issues, particularly its recruiting activity. It seeks to interpret the organisation's recruiting practice from a dynamic point of view and to reveal the actions and prevailing attitudes potentially held by the international organisation towards the distinct cultural of the people in its power.

The theoretical discussions in this chapter offer a logical order or framework for understanding the whole phenomenon explored by this research. Critical theory's self-critical approach, as well as its inherent association with dialectics, makes its related philosophy a powerful instrument for understanding the development of culture and social realities.

2.2 Critical Theory

In narrow sense, critical theory is the theoretical framework associated with a series of studies advanced by a number of social science theorists in the early 1900s that became known as the Frankfurt School. Classic critical theory tried to establish an understanding as to why the social revolution, as predicted by Marx, did not occur through linking economic with cultural and ideological analysis (Lukacs, 1971), aiming to become a "liberating … influence", exploring the path by which human beings would break away from "slavery" and "create a world which satisfies the needs

and powers" of human beings, and hence make progress towards freedom (Horkheimer and Adorno, 1972, p. 246). Over time, the essence of critical theory has developed into a philosophical approach that incorporates any similar thought practices into a broader approach. Critical theory attempts to construct a specific picture of how people perceive their reality through the method of critiquing existing consciousness and ideology (Carr, 2000). In general, critical theory advocates self-criticism and rejects any pretensions to absolute truth (Carr, 2000). This sort of viewpoint embodies a dialectical ontology (see below). The Frankfurt School acknowledged dialectics as the conditioning precedent of the critical theory project. Additionally, because of internal associations, dialectics and critical theory are often mentioned in the same breath (Geuss, 1981; Carr, 2000; Ogbor, 2001).

There is a logic inherently associated with dialectics and that is the interaction between the particular and the universal (Adorno, 1967). According to Hegel and Marx, this interplay should be considered a constant changing and developing progress driven by contradictions that appear during the contact between the particular and the universal. There are three elements contained in the logic of the dialectic: thesis, antithesis, and synthesis. The process of the dialectic normally starts with a thesis, which can be a definable reality that is a departure point for all future development and argument (MacDonald, 1968). An un-reconciled prediction of the same thing, the antithesis, leads to the next step in this unfolding of events as seen from a dialectical viewpoint. It is the opposite side, generated through discordant cognition of the same objective, in which the contradiction is embedded. When people's thoughts rationally contemplate this pair of contradictory ideas, a synthesis appears which allows different opinions to form a unity under certain conditions (Hegel and Stepelevich, 1990). The relentless historical

process of thesis, antithesis, and synthesis constitutes a triadic framework, and each unit contains a synthesis wherein a pair of opposite ideas maintain the interdependent condition, and simultaneously the synthesis is considered as a new thesis and is followed by a new triad (MacDonald, 1968). In consequence, what is important is to capture the whole of the dynamic dialectical process, rather than the implied single fractional elements of the totality. As noted by Marcuse in his work "All facts as stages of a single process" (1993), the dialectic is replete with intertwinement and mediation of opposites, objective and subjective, thesis and antithesis. Ultimately, the totality of social phenomena is strongly influenced by the past and the dynamics of history.

Critical theory is infused with the spirit of the dialectic, which by its very nature sees reality as indeterminable and malleable, subject to the swirling forces that constitute human history. This is in contrast to traditional theory, which believes it can mirror the unvarnished truth and generalise about the facts that constitute the world (Bohman, 1996). In the social environment, facts are accepted and unquestioned ideas and logics constructed to provide certain principles for people to follow and through which social order is maintained and social units are held in a stable condition. For critical theory, any social order inevitably reflects the influence of historical forces that constitute the dialectic, a point which, once accepted, compels the observer of history to acknowledge that the fundamental pattern of history is not stability and continuity, but conflict and challenges to the existing order. Any formation of theory or ideology is historically constituted and contextualised, which implies its establishment is conditional and not perpetual or universal. Hence, critical theory declares the primacy of neither matter nor consciousness, since both of these potentially will distort reality and eventually force it to work for the minority's interest (Carr, 2000). One of the prior purposes of critical

theory is to change society progressively, and in this emancipatory project it is deliberately locating itself outside established philosophical and intellectual paradigms.

As mentioned earlier, in critical theory all 'facts' are stages of a single process (Marcuse, 1993). A theoretical phenomenon not only possesses historical and social features, but also embodies knower and doer, who constantly impose current environmental elements into the historical experience, simultaneously injecting the past into the present. Therefore, critical theory advocates all cultural phenomena are the consequences of the mediation of social totality (Adorno, 1967). Important elements such as values, beliefs, ideas, which are included in the whole cultural concept, to a great extent give expression to strong historical characteristics, as they are a series of symbols formed from learning, sharing, and interacting in an ongoing process and with abundant experience (Terpstra and David, 1991). However, the cultural concept itself denies that culture is inherited and highlights the response of current society to culture; in other words, the function of context argues that culture is generated from the social environment. This is exactly the viewpoint of critical theory, namely that culture is produced by the social mediation of traditional ideology and present environment and that culture, in each era and each territory, is a vital link in the dynamic chain of time and societal development.

This research will follow critical theory philosophy, to investigate the interaction between history and present day, between culture and social realities, as well as between social environment and organisational behaviours in the chosen social setting of Hong Kong Colony.

2.3 Culture in the Communicating Context

In a broad sense, the study of culture is considered a significant component making up the study of the social-historical world. Many researchers agree that, to a large extent, the research of cultural phenomena is of central importance to the social sciences in general (Thompson, 1990; Triandis, 1994). To appropriately understand the critical characteristics of culture and the internal connections between cultural discussion and critical theory, arguments around the concept of culture should be unpacked first. Early research on descriptive culture dates back to the 19th century, when Klemm implemented a systematic study to examine the practices of customs, skills, arts, tools, weapons, religions, etc. within different racial and tribal groups (Klemm, 1843-1852). Based on what he observed, a later study further conceptualised culture as a "complex whole", covering "knowledge, beliefs, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" (Tylor, 1871). These ideas have become standard ways of conceptualising culture, but what needs to be underlined here, and what is embodied in the concept, is that the carrier of culture is a person who lives in a specific social environment, a culture that is alive because of people's practices in distinct social – and regional – environments.

Thompson added to this that the "complex whole" is the important trait of a society, and it works as the crucial criteria to distinguish one social unit from another, including all of those existing at "different times and places" (Thompson, 1990). This implies that culture embodies not only a regional character but also contemporaneity, meaning that even within the same social unit, people in different eras interpret it differently. A similar notion was proposed by Tylor, who posited that the key to the scientification of

the concept of culture lies in placing the idea in an evolutionary framework. To be more specific, cultures are "stages of development or evolution" (Tylor, 1871), and each culture is the outcome of a historically or previously formed culture acting on the present society, possessing the function of shaping its future history. This depiction of culture concurs with the understanding provided by critical theory that "all facts are stages of a single process"., Furthermore, it highlights the fundamental element that separates critical theory from traditional theory: rather than reflecting/describing certain aspects of the "real world", the purpose of theory is to change that real world in a progressive way. When the previous cultural residues interact with fresh contemporary elements, these cultural residues persist into the present and obtain the ability to mould the future of social phenomena.

Many later researchers placed the conception of culture at the centre of anthropological arguments, exploring related issues of meaning, symbolism, and interpretation. Culture itself is like a "stratified hierarchy of meaningful structures", and analysing culture is similar to dissecting a layered cake, breaking down the layers of meaning and describing and re-describing those previously formed meanings via actions and expressions in everyday lives (Geertz, 1973). Following these discussions, Thompson (1990, p. 132) summarised the conception of culture thus:

> *Culture is the pattern of meanings embodied in symbolic forms, including actions, utterances and meaningful objects of various kinds, by virtue of which individuals communicate with one another and share their experiences, conceptions and beliefs.*

Following the symbolic culture conception, social context possesses spatial and temporal particularity, and thereby its constitution is associated with special spatio-temporal settings that form the arena wherein cultural phenomena take place.

According to the conceptual framework of cultural context, as elaborated by Thompson, social context is structured in various kinds of ways (1990). Beginning the conversation with a broad idea, the concept of the field of interaction is developed based on the previously identified idea of "field". It generally argues that from the perspective of cognition of space-time, every individual is situated in a synchronic space of position, and diachronically experiences a set of trajectories. In this sense, the spacial aspect or position and the trajectory from the temporal aspect together constitute a field of interaction wherein individuals apply various kinds of resources or capital through different means to achieve their particular purposes (Bourdieu and Boltanski, 1977; Thompson, 1990). The means, which can be abstracted as the concepts of rules and conventions, generally include two categories, respectively characterised as explicit writable precepts, and implicit acquiescent precepts (Thompson, 1990). Compared with the explicit rules and conventions, the implicit ones often have a much more universal and extensive sense of direction and constraint. They are simultaneously of a higher level of flexibility, in the sense of reception, adaptation, and diffusion, which are caused by the repeated praxis of application activities that involve multiple individuals. Because of this very situation the implicit rules and conventions are more likely to break through the boundary of social units and be diffused. To a large extent, the implicit precept, which imperceptibly impacts individuals' behaviour, is reflecting the strong presence of culture. When some particular rules and resources/capitals form a relatively stable cluster, then the cluster, together with its relevant social relations, constitutes a social institution, which is another concept under the social context conceptual framework.

So far, it can be understood that, irrespective of the field of interaction, or social institution, each social unit resides in specific spatio-temporal settings. When the member individuals within a unit possess unbalanced access to resources and powers and the unbalanced relationship stays relatively stable, the field of interaction or social institution is structured (Thompson, 1990, p. 150). A structured social unit inevitably has an asymmetric individual relation inside of it; however, it tolerates a certain level of asymmetry to keep the unit stable. Since the general idea of the social context conceptual framework has been explained, the example of Britain's Hong Kong colony will be used to demonstrate how these concepts make up a whole picture in order to build further understanding of the framework while revealing the significance of the abovementioned theoretical ideas for the purpose of this research.

In general, social context affects people's behaviour and social intercourse in a constitutive way. What cannot be ignored is that, as argued by Thompson, social context also has constitutive influence on the production and reception of symbolic forms (1990, p. 152). In the process of production and reception, the individual situated in a specific field of interaction takes advantage of resources according to his or her position, and through applying certain rules to generate symbolic forms to another individual or an individual group that is expected to be the recipient of the symbolic form. The reception does not take place passively – the symbols need to be absorbed, adapted, and applied in everyday life, and then an important step is to interpret these symbols on the basis of pre-established perceptions, which is to say, from the perspective of the recipient. When historical recognition and new symbols come to an agreement, the procedure of reception is finished and the symbol is kept alive. Thus, recipients are as important as producers, and indispensably routinely incorporated into

the process of symbolic formation. Normally, the important role of producer is apparent; nevertheless, the practice without placing sufficient importance on the recipient often leads to failure.

2.4 Conflict of Cultural Valuation

It has been elaborated that the production and reception of symbolic forms occur in a certain social context, wherein the complex elements exert profound and lasting influence on the symbol forming process. Moreover, the meaning of a symbol is reproduced in an individual's everyday understanding and practices, consequently shaping the social context in reverse (Thompson, 1990). In this circulatory process, the meanings contained within the symbolic form are stabilised and also, because of this, are given a certain symbolic value by the individuals who produce and receive them. Symbolic value is identified as "the value that objects have by virtue of the ways in which, and the extent to which they are esteemed by the individuals who produce and receive them" (Thompson, 1990, p. 154). This holds true for the attitudes held by the producer and recipient of the symbolic form, for example, being praised or denounced, or being cherished or despised. Both producer and recipient respectively evaluate the symbolic form, making it unsurprising that values attributed to the same symbol or symbolic system are different depending on the individual. The fact is that coincidental evaluation rarely happens; it is always conflicted. The conflict of symbolic value primarily takes place in a structured field of interaction or social institution, wherein individuals are situated in a relatively stable asymmetric hierarchy that endows them with an imbalanced status according to their different positions. It hence is intrinsic that the members of a structured social unit possess different weight (Sue, 2004), in the

sense that some possess stronger rights to speech, holding higher degrees of legitimacy, and are more capable of exerting influence over other individuals who own relatively lower social power.

To better understand the different symbolic values possessed by different individuals in a structured field of interaction, the concept of "power" needs to be brought into consideration. Power is identified as "the ability to bring about desired outcomes" (Salancik and Psychology, 1994). It reflects as the decision-making ability which allows individuals to pursue their aims and interests and/or to intervene in the consequence of events and to affect the process (Herman, 1981; Thompson, 1990). There is a broad consensus that power is the product of human development, residing in all forms of social organisations and interaction (Finkelstein, 1992). Within a social unit, it resides in the related facilities or control mechanisms, which generally are grasped by important individuals, in other words, the ruling class, characterised by holding the top positions in the structured hierarchy of these social units (Dreher, 2016). In essence, its existence depends on the structural property of the society, as well as the particular positions that individuals possess in a field of interaction. A social unit is structured, and therefore the asymmetric relationship among members is to be found in a sense of the possessed resources and paths to access, which constitutively decide the power balance. It is passed from generation to generation, maintaining the ability of resistance and avoidance of change (Dreher, 2016). It is what is lasting in society and forms a significant part of a group's social identity.

Social identity is self-awareness and is generated through comparisons between self and others (Hornsey, 2008; Zomeren, Postmes and Spears, 2008). The idea of

advantage and disadvantage is generated as a part of the outcome, as well as the boundaries that separate people's social identity to avoid the disadvantaged group members entering groups that enjoy better status. More specifically, the will of people attempting to hold on to advanced status motivates them to enhance the differentiation between other groups through action, to make the boundary between "us" and "them" more solid (Mahfud *et al.*, 2018). Intentionally or unintentionally, people tend to approve the value of their own symbolic forms or culture, and thereby maintain and carry them forward temporally to the future or/and spatially to other social units. In fact, a distinct culture is likely to be rejected and even eliminated – this, after all, is the conflict of identity and symbolic value, and what is situated in the centre of the conflict is the dominant position of culture.

Power depends on position in the structured social group. The individuals who are in better positions carry more weight and enjoy status in the form of honour, prestige and respect. These people therefore occupy a more favourable status from which to offer their symbolic valuations and, under certain conditions, even to impose them on other individuals. The unequal relationships between social groups that are caused by power imbalances lead to asymmetric interplay patterns within which the dominant members are able, through their domination of cultural processes, to embed their attitudes, beliefs, and ways of practices in the general culture (Hanna, Talley and Guindon, 2000). The term "cultural oppression" is used to describe these circumstances, and it will be returned to in due course. Through the field of interaction, some individuals hold relatively more decision-making 'weight' than others. Power resides in the top of the structured hierarchy, and normally those in the top positions willingly maintain stable power relations over the institution or organisation through exploiting hierarchical

boundaries rather than sharing with the peoples in lower positions (Organ and Bateman, 1991). As a general rule, the members of a social unit occupy various kinds of positions and roles in the hierarchy owing to the power distribution. Roughly, these roles are divided between the dominant position, the intermediate position and the subordinate position, whose power possession follows a descending order (see Figure 1 generated from the arguments).
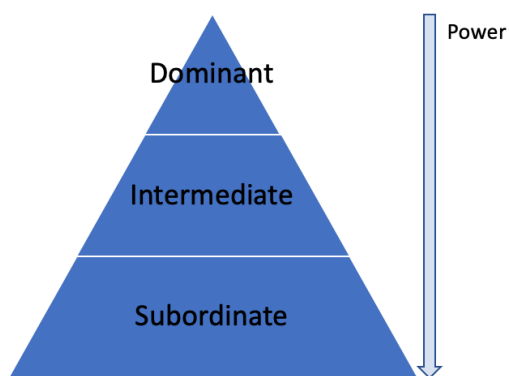
Figure 1 Hierarchical positions in the power pyramid

Different levels of empowerment affect individuals' ways of acting. In addition, irrespective of the position that the individual occupies, people always naturally work to pursue their interests and aims, and for this reason people in varied power conditions or hierarchical systems will strive to achieve their own purposes via distinct methods (Thompson, 1990). In a field of interaction, the dominant positions are positively endowed with power, thus maintaining privilege and preserving their superior status means maintaining the benefits of their position. Typically, to achieve their interests, these people employ an approach called "distinction", through which the boundary of strata is solidified to ensure that power does not permeate outwards (Bourdieu, 2013). To the dominant positions, the outcome of comparisons with other individuals brings them the base line by which the value of identities can be judged and claimed. In the dominants' pursuit of separation from others, a denigrating attitude towards all

subordinates is omnipresent, thereby strengthening the positive results of comparisons and further enhancing the benefits (Elias, 2006). It makes reasonable sense that when a level of diversity of compared culture or symbolic forms increases, comparison and categorisation will occur, followed by the reinforced strata boundary. This in turn causes the emergence of intergroup and intragroup cognitions. Group barriers tend to result in social interaction being developed unevenly: with enhanced or stable interaction within the same identity, while on the contrary the interplay with individuals holding a distinct identity being blocked (Richard *et al.*, 2004).

Subordinate positions in a specific field of interaction obtain the least amount or/and most limited access to resources and power compared with other persons. For this reason, they are a group of people bearing the most stress, and most urgently seek daily survival. To survive, the typical method adopted by subordinates is to respect and obey their "superiors", to positively value them and identify with their symbolic forms or culture (Thompson, 1990). It is also argued that identifying the gap between them and the others is the cornerstone of all subsequent behaviour (Zomeren, Postmes and Spears, 2008) because the very fact of disadvantage requires action towards changing the current status when the disadvantaged identity is established. The practice will be mentioned below.

Additionally, intermediate positions, as indicated by the literal meaning, maintain the middle grade in the social structure hierarchy, wherein their ability and channels for obtaining resources is less superior than the dominant but more superior than the subordinates. They, in most cases, are characterised by being endowed with a great quantity of economic capital but a low quantity of cultural capital, or vice versa, or

moderate quantities of both (Thompson, 1990, p. 159). They attempt to make the most of their advantaged capital to obtain the general benefits. It is worth mentioning that the intermediate position in some circumstances may be oriented to the dominant position and, under specific conditions, may play an important role in the social structure as if they were dominant members, perpetuating the established social order. On these occasions, these two positions differ in essence, but their action has much the same effect (Bourdieu and Thompson, 1991). Overall, different individuals with various kinds of position in a field of interaction follow differentiated strategies and acting patterns to pursue their interests.

In general, as suggested by critical theory, the view of an object is always subjective in a sense that it is established on the basis of pre-existing perceptions. As to the same symbolic form, it is reasonable that different individuals or individual groups evaluate it distinctively based on their own knowledge and from their own vantage point. Power offers individuals the ability to influence the direction of cultural development, and different levels of power endow individuals with different kinds of position in the field of interaction. Thus, during the progress of re-shaping the social context, individuals play a distinct role with distinct communicating or acting methods.

2.5 Colonialism from the Cultural Perspective

If considering a specific society as a field of interaction, everyday life and intercourse among society members is the process through which the symbolic forms (culture) are produced and received. Individuals' values, customs, or any other forms of culture, interactively engage within the field in daily contact and communication, through a

sense of integrating the attitudes of varying kinds of cultural symbols that are generated into action based on their historical experiences and social standpoints. This leads to the imperceptible re-shaping of the social context. As the opinions of different individuals towards the same object vary, people always hold inconsistent viewpoints as to cultural symbols originating from distinct social contexts. In history, the era of colonial expansion captured people's attention when discussing cultural clashes (Bailey, 1969; Cooper, 1994; Robinson, 2014). According to colonial history and modern world development, the colonisers had a profound and multifaceted (economic, cultural, political, etc.) impact on the colonised. Looking at colonialism from the cultural aspect, the next section will take the Hong Kong colony as an example to elaborate on how colonial activities influence cultural communication and interaction. Before this subject is unpacked, it will be helpful to briefly sketch the principles of colonial activity and colonialism.

It is argued that, to a very large extent, the capitalist wealth of modern Europe was accumulated and developed through colonial activities whereby distant lands and resources were conquered and seized to serve the imperial power. As a result, a new form of social control pattern was needed to support the colonial actions being undertaken in a stable way. This type of action, one that placed an emphasis on shaping the social environment and system, in many cases is called development and modernisation (McEwan, 2009, p. 83). Although from the starting point of the colonial activities, cultural implantation was not the original subjective intent – it was more likely a supplementary tool that the rulers applied in support of their economic goals, or occurred as the social influence attached to the outcome of colonial control. Some scholars argue that colonialism not only causes cultural effects that are often "ignored

or displaced into the inexorable logics of modernisation and world capitalism", but that it was in and of itself a programme about cultural control. A further view holds that "in certain important ways, culture was what colonialism was all about" (Dirks, 1992). It is not important here whether or not this viewpoint is accurate or underplays colonialism's economic and political intent, but what can be confirmed as significant is the idea that colonialism is closely related to culture.

People are familiar with the traditional colonial expansion pattern that is heavily dependent on military conquest and pillage of resources. Whilst modern colonial activities, from the sixteenth century onwards, increasingly relied on another approach in which military force figured less, violence always existed as a threat in the background. Instead, the aim of colonisers was to get the colonised to submit to the authority of the capitalist world system by establishing a hierarchical administrative structure that was tacitly approved or supported by the native elite ("co-optation") (Jacobs, 1996; McEwan, 2009). The Hong Kong Colony is a typical example reflecting this. The British Hong Kong Colonial Government was established as the authority that gave power to practice political and administrative control in the colony. But rather than being a governmental institution in the general sense, it was more like an agent that had the responsibility to connect the rulers with the ruled to ensure that trade and commerce happened smoothly. To secure and optimise their interest, the Colonial Government organised a series of development activities which objectively benefited local people and society (Endacott, 1959).

It was a trenchantly structured hierarchical society wherein people's social status was determined by how close their culture was to British culture, and to what level they

understood and adapted British culture. Chinese people were regarded and treated as inferior in the colony's general social environment and as employees in the British Hong Kong Colonial Government (British Hong Kong Colonial Government, no date; Endacott, 1962; Eitel, 1983; Carroll, 2007). In about one and half centuries of colonial rule, the British had a profound cultural impact on Hong Kong, re-shaping its social environment from one with a dense Chinese traditional heritage to one largely infused with Western thought and acting patterns. Its impact on Hong Kong's culture is extensive and lasting; even today, in the public mind Hong Kong is some kind of hybrid society, a kind of shimmering and glamorous bridge connecting East with West (Carroll, 2007).

Yet exploring the phenomenon of Hong Kong more deeply, we find that in fact it could be depicted as a type of cultural oppression, a symbolic re-shaping exerted by the ruling British who were in the dominant position in the cultural field of interaction on the subordinate Chinese (among others). Oppression is generally defined as the action that an individual or group imposes unjustly, harshly, or cruelly on other people or groups using their access to power. The definition implies there are two sides to this term: the dominant and the subordinate, or oppressor and oppressed. In the specific circumstances of a colonial environment, a prominent characteristic of the oppressed group is "culture of silence" (Freire, 1970), a manifestation of cultural oppression. Oppressors in the dominant culture redefine and control the oppressed people, deciding their roles, identities, and their status in social relationships. In practice, the dominant group infuses "advanced" symbolic forms or culture into the subordinate group through education and other methods in order to "silence" their culture and achieve stable control over the inferior groups. In the case of the British Hong Kong Colonial

Government, the British, the dominants in the field of interaction, played the role of oppressor. They were authorised with much more power against other nationalities in the colony, especially the local Chinese, and thus "Britishness" was highly valued in the social context, along with the attached cultural symbols of being British. The British actually strove to develop higher education by establishing colleges and universities to disseminate a Western education. One key original intention was to educate Hong Kong citizens in the mind set required to build and maintain a necessary understanding of colonial Governance, which was intended to make its rule smooth and unquestioned by educated natives as well as to cultivate a potential work force for the Colonial Government (Endacott, 1959). However, its promotion of Westernising values and symbols, especially the English language, as well as making possession of a Western education and English language ability the preferential standard to re-define the Hong Kong people's social status, was a conspicuous expression of cultural oppression.

There are three ways of perpetrating cultural oppression: primary oppression, secondary oppression, and tertiary oppression (Rhoads, 1999). Primary oppression is quite straightforward; the oppressors directly, patently apply pressure to the recipients by force and/or deprivation. Secondary oppression is not applied directly to the oppressed people, but occurs when people benefit from oppression practiced by other powerful groups. Tertiary oppression occurs when the people who originally belong to an oppressed group internalise the dominant culture's characteristics by partially voluntarily abandoning their own culture and seeking opportunities to access the dominant group. Scholars have also argued that mixed oppression exists in cases whereby some people place oppression on one group that is simultaneously being oppressed by other groups (Reynolds and Pope, 1991). In the case of the British Hong

Kong Colony, the primary oppression appeared as the influence of British culture on the local culture, including from the perspectives of politics, society, culture, etc. This research will focus more on tertiary and mixed oppression.

Considered from the psychological aspect, what facilitated the development of the oppression were the different perceptions between the hierarchical positions in the field. Here, perception can be understood as the ability of awareness, sense, and noting. For the oppressor, having a high level of perception is tortuous because it causes sympathy, self-communion, remorse, guilt, and shame (Samenow, 1998). Hence, people in oppressive positions always lower their perception either by accident or on purpose, so as to perpetuate the practice and maintain its 'normalcy' and rationality. As for the oppressed, they tend to have higher levels of perception. Irrespective of whether this is forced through living conditions, or out of worship of the dominators, oppressed people are more sensitive to seizing the oppressive group's mentality, habits, and customs. For example, office workers are normally better at figuring out the boss's behaviour and emotions, while there is less need for the boss to do similarly. In the Hong Kong colony, a British style education was developed rapidly, while it was hard to find even one person in a Colonial Government managerial position who understood the Chinese language until the 1860s.

2.6 Colonialism and Social Context Re-production

Based on the arguments and historical background sketched above, the hierarchy of the British Hong Kong Colonial Government in theory should be established following the will of the oppressor who, in that particular circumstance, was represented by the

British. In that complex colonial social environment, the British colonist was at the peak of the hierarchical pyramid and possessed enough power to ensure the formulating and performance of social and political policies reflecting their own interests. They managed the intermediate group, the middle class of the organisational hierarchy, thereby achieving management of the broad ground level of employees and maintaining general control over the whole situation. This structured Colonial Government, as a social institution, was one of the numerous social units that resided in this specific spatio-temporal setting, wherein members were endowed with unequal access to resources and rights, but where the situation stayed relatively stable (Thompson, 1990). The spatio-temporal setting was explained earlier during the elaboration on the concept of field of interaction. This was adopted to explain the related ideas of social context and its proposition is coincident with the arguments of institutional theory.

From the institutional perspective, organisational behaviour is driven by social justice (DiMaggio and Powell, 1983; Scott, 2013). The actions and policies of an organisation tend to be more likely accepted when they are performed through legitimate means (Meyer and Rowan, 1977), suggesting organisations bear the pressures of responding to shared ideas and appropriate forms of behaviour. Organisations not following these social norms will be caught up in the likely consequence of losing the ability to gather social support and resources (DiMaggio and Powell, 1983; Tolbert, 1985). This is especially true for governmental organisations: in order to obtain political trust, they always seek congruence between citizens' expectations and policy outputs (Hetherington, 1998; Owen and Dennis, 2001). Therefore, organisations, including governments, are exposed under the magnifying glass of the social environment

wherein they are situated, as well as remain under pressure to draw close to that environment. It hence is reasonable to say that the formation and development of the internal environment of the Colonial Government was largely influenced by the external social context, and this in turn affected the development of the Hong Kong social context at that time.

If we take the hierarchical phenomenon as the prevalent thesis, pressures and contradictions building in society (antithesis) represent the disharmonious elements in social reality. These challenges threaten the established social order constructed and protected by the colonial rulers. Given the existence of these multiple antitheses, the status quo in the social environment, whilst maintaining its original features, does tend to successive shifts in order to balance the situation. In this way, multiple powers are able to harmoniously coexist in the social context by integrating different cultural elements. The social context is thus in a permanent state of flux and renewal through the daily practices of its multinational and multi-ethnic members.

In this new social context, the common views and shared features among different national groups increase as they all share the same field of interaction. So, rather than building and reinforcing boundaries between social units (Bourdieu and Boltanski, 1977; Thompson, 1990; Richard *et al.*, 2004; Mahfud *et al.*, 2018), the boundaries among different community groups are undermined. It can thus be speculated that in a social unit in which the boundaries among different classes and groups are weakened due to the increased shared views and experiences, under the premise of the dominant group's status not being affected, power is likely to permeate downward from the superior class, thereby allowing subordinate individuals more opportunities to play

important roles in the social unit. With the growth and development of the colony, an increase in the importance of the subordinate class could lead to a weakening of the strategic importance of the original intermediate group. It could be that the original subordinate members eventually assume the intermediate group's function: in this case, the Chinese, who display a higher level of assimilation with the dominators. This then leaves the old intermediate members free to move upward or downward into different classes, or alternatively to be replaced in certain contexts. The process just described potentially reflects the re-production process of the social hierarchy in a colonised environment; it certainly is a component part of the social context. Figure 2 illustrates the procedure of social context re-production. Accordingly, with regard to the development of the British Hong Kong Colonial Government's recruitment strategy, the research is expected to observe similar changes over time, through which the power flow between different national communities can be understood.
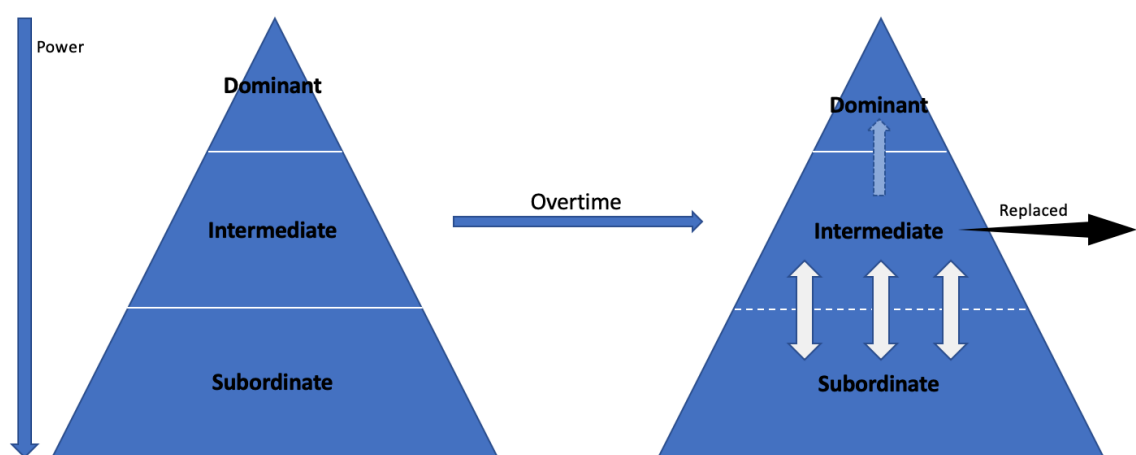
Figure 2 Predicted hierarchy transformation of a social unit in a colonised environment as the outcome of social context re-production

2.7 From the Managerial Perspective

Extending the opinions of critical theory and dialectics regarding "facts" to the topic that this research is focused on, Hong Kong's colonial history is a stage of its history as a whole, and the staffing practices of the Colonial Government, which can be seen as the human behaviours within that stage, are a part of the social realities and phenomena as a whole. We aim to analyse these staffing practices against the backdrop of Hong Kong's historical progress. The historical materials provide a wealth of information, context and multiple viewpoints, enabling this research to capture the complexities of the human activities (Mackenzie and House, 1978). All of this can be used to obtain a rich understanding as to managerial choice and practice. This historical period allows us to longitudinally observe the development of the staffing phenomenon, as well as to relatively integrally track the interaction between the phenomenon and the changing social context. During the long period of almost one century the complex social context, especially the colonialisation process, had profound implications for organisations' staffing practices (Goodman and Kruger, 1988). By looking in depth into the historical phenomenon of the Hong Kong Colony, we can understand the interaction between human behaviour and social context, providing the opportunity to reveal the path of social development, which furthermore will enable us to establish the connection between the past and the present (Ruef and Harness, 2009). This in turn will allow the creation of a basis from which to inform people's actions going forward.

These connections can be applied to staffing practices as well. Revisiting the history of the Hong Kong Colony enables us to reconstruct the existing managerial theory of the time and helps to reinterpret modern managerial discourse by providing a new

perspective — a perspective that dates from before practitioners were being influenced by current developed theoretical guidance. In fact, the management decisions of the leaders of the Hong Kong Colony were being made in an environment free from any management theory at all. The starting point of the period researched here took place more than one century before Perlmutter's research on ethnocentric staffing (1969). It therefore provides us the opportunity to re-examine and reinterpret Perlmutter's theory and establish its relevance in a modern management context. There are four basic staffing approaches identified by Perlmutter and widely recognised and discussed within the international human resource management (IHRM) literature: namely ethnocentric, polycentric, geocentric (1969) and regiocentric (Heenan and Perlmutter, 1979). As a part of a company's overall strategy, IHRM strategy is generally affected by two salient imperatives that aim to respond respectively to the pressure of achieving global coordination and integration and the pressure for local responsiveness (Prahalad and Doz, 1987). Examining the internal and external environment and conditions, multi-national companies (MNCs) give different weight to these two imperatives when managing their international performance. Traditionally, it is suggested that when MNCs put more weight behind forming a *global* vision, the ethnocentric staffing approach is prioritised as it offers more managerial positions to parent country nationals (PCNs) to ensure that decision making in the subsidiaries remains within the headquarters' controlling range (Edstrom and Galbraith, 1977; Bonache and Brewster, 2001; Harvey, Speier and Novecevic, 2001).

It is argued that, being a MNC, apart from carrying out bureaucratic control, their praxis also needs to achieve cultural control (Baliga and Jaeger, 1984). Cultural control is reflected by a set of shared values that are embedded into the process of work,

behaviours and operation (Ouchi, 1980; Baliga and Jaeger, 1984). When the subsidiary is more important to headquarters, cultural control tends to be more necessary (Boyacigiller, 1990). At the same time, greater cultural distance results in greater information asymmetry, which causes more difficulties in controlling the subsidiary (Gong, 2003). Cultural control is believed to be more important in conditions where the cultural distance between the home and host countries is increased (Colakoglu and Caligiuri, 2008). The normally applied approach to achieve cultural control is to send a number of expatriates from headquarters to the subsidiary to mix in the team. This mixed team then acts as the sub-head office, as per the significance of the Hong Kong Colonial Government to the British home government. Hence, when the cultural distance increases, the number of expatriates tends to increase (Colakoglu and Caligiuri, 2008), and apparently the MNC therefore shows a higher preference for the ethnocentric staffing approach.

Many other factors may influence a MNC's recruitment preferences. For example, lacking qualified personnel in the host country will likely cause difficulties in filling prominent positions when recruiting locally. Clearly, this will result in the PCNs filling the bulk of these positions (Boyacigiller, 1990; Scullion, 1991). On the other hand, when the MNC extends its operation to a greenfield site, where perhaps the same industry activities may have been previously undertaken, then a higher level of uncertainty ensues due to the MNC's limited knowledge of the local environment. In most cases, the MNC would therefore prefer to rely on recruits from the home country to manage these risks (Harzing, 2001). The expatriate situation tends to be transformed alongside increasing levels of business practice development, through which we can

expect to see the effectuation of knowledge transformation and local manager training (Franko, 1973; Hamill, 1989; Boyacigiller, 1990).

What is interesting is that the ethnocentric staffing approach is the most controversial one amongst the four that are contained in the EPRG model (Perlmutter, 1969). First of all, costliness is one of its main disadvantages and consequently forces many MNCs who take the ethnocentric approach to adjust their recruiting practices after a period of time in operation (Kanter, 1977). Compared with hiring locally, expatriate assignments require much higher financial investment due to extra managerial tasks such as preparation and training (Briscoe, Schuler and Tarique, 2012). Simultaneously, MNCs need to be able to bear the potential high value of financial and non-financial damage that is caused by premature expatriate return. In addition, considering that employees taking expatriate posts have to move out of their existing living and cultural environments, the MNCs must provide more competitive compensation than they would at home. Moreover, when the destination is not attractive, the firms will have to attach even higher salaries, benefits and allowances to increase the willingness of the employees to take on the post (Aryee, Chay and Chew, 1996; Konopaske and Werner, 2005). As a direct outcome, to successfully complete expatriate assignments, the ethnocentric staffing approach costs MNCs more capital in salary payments alone than other investment items. In most cases, parent country expatriates are engaged for the purposes of management and organisational development (Harzing, 2001). However, practicing such kinds of assignments raises levels of difficulty and challenge for the HRM. In addition, the underlying risk of premature expatriate return results in higher uncertainty, both from the point of view of the HRM's tasks and the strategic performance of the firm in general.

Furthermore, the way that the MNCs achieve bureaucratic and cultural control is based on the belief that PCNs show a higher level of loyalty to the company (Perlmutter, 1969; Hofstede, 1998). However, many studies have argued that an employee's nationality is not a direct indication of their loyalty to the MNC (Robock and Simmonds, 1973; Banai and Reisel, 1993). In addition, it is suggested that an employee's loyalty can be cultivated and increased by effective HRM practices, such as compensation management (Kaewprasit, 2007) and training, which especially works in collectivist cultures (Aycan, 2005). Research has also explored the relationship of cultural distance and PCNs' expatriates, suggesting that great cultural distance tends to urge an MNC to adopt the ethnocentric recruiting method, but at the same time indicating that doing so hinders the firm's performance (Colakoglu and Caligiuri, 2008). In another example, research argues that Japanese MNCs have been successful in the internationalisation of production and operation management, but not in the internationalisation of management, and this is demonstrated by the wane in early admiration for Japanese HRM with the development trends in the global economy since the 2000s (Bird and Beechler, 1995; Sekiguchi, Froese and Iguchi, 2016). It has also been argued that the pursuit of the ethnocentric staffing approach is the main reason for this consequence (Kopp, 1994; Bird and Beechler, 1995; Froese and Kishi, 2013).

Filling important positions in the subsidiaries with PCN expatriates in most cases means empowering this group to the highest level among all nationals, which simultaneously brings this group closer to headquarters and the high-level decision makers of the MNE (Perlmutter, 1969; Briscoe, Schuler and Tarique, 2012). This blocks the paths of the host country nationals (HCNs) from entering or progressing

along the managerial ladder. Inevitably, this always causes tension between PCN expatriates who are decision makers that possess a good level of power and HCNs who normally occupy the majority of the company positions (Banai, 1992; Mayrhofer and Brewster, 1996). The ethnocentric staffing approach has suffered long-term and increasing criticism on account of its nationality/racially-focused selection standards and disparate treatment. It is widely agreed by researchers that its inherent discrimination is one of the main reasons that make this recruitment approach so controversial (Mayrhofer and Brewster, 1996; Sue, 2004). Today, the international migration and mobility of workers has been significantly developed through modern transport and communication methods (Mitchell, Pain and Riley, 2011; Rodriguez and Mearns, 2012). This antique recruiting method, which is not only suspected of being racist but also restricts the talent pool, is thus considered unsuitable for the modern age and has an increasing number of detractors.

Adopting the ethnocentric staffing approach and expatriating PCNs to fill managerial positions in subsidiaries is, in fact, intended to make use of some particular features possessed by this group, with nationality for a long time considered the most important employee classification standard. From the existing IHRM literature, it is understood that for MNCs who are home oriented, putting PCNs into managerial positions in subsidiaries is based on the notion that they possess special knowledge, experience, capacities and loyalties that meet the development needs of the company's international expansion (Perlmutter, 1969; Boyacigiller, 1990; Scullion, 1991; Harzing, 2001; Colakoglu and Caligiuri, 2008). This begs the question as to whether the nationality of the employees may not necessarily be the highest recruiting criterion, as long as the candidates meet the abovementioned features. On the other hand, these features to a

great extent overlap with the elements that make up an individual's cultural background (Tylor, 1871; Geertz, 1973; Thompson, 1990). Therefore, it seems that referring to an individual's cultural background rather than nationality makes more sense in the modern context.

As is argued by the institutional theory, organisational actions are subject to social justice (DiMaggio and Powell, 1983), and they are exposed by the pressure of adhering to the social environment (Dacin, Oliver and Roy, 2007). Government, as a type of organisation in a certain social environment, its policy output and actions, such as the recruiting policy and practices, is expected to respond to the orientation of the environment. As has been revealed by research, when the environmental uncertainty is high, the MNCs show a higher aspiration to copy other successful experiences to better predict performance outcomes (Lieberman and Asaba, 2006). This kind of behaviour will actually respond to the request of global integration and increase the appeal of local responsiveness. Influenced by a highly uncertain environment, people tend to be more dependent on their previous experience (Garud and Karnøe, 2001). Hence it should be an important measure to effectively take advantage of existing resources and capacities when exploring business activities in the host country, where little is known and very little referential business behaviour can be inferred.

The idea of homosocial reproduction is drawing increasing attention in recent research. It derives from Kanter's research (1977), which argues that under the pressure of uncertainty, men tend to include and rely on their own group, that shares similar characteristics, to secure their managerial work. A higher level of uncertainty leads to higher levels of preference for similar men, which results in a higher level of

homosocial reproduction (Kanter, 1977). This view was considered as the entry point of many later studies on social discrimination in the workplace, especially regarding top management positions (Roper, 1994, 1996; Barrett, 1996; Fawcett and Review, 2000; Gregory, 2009; Holgersson, 2013). To be more specific, this research focused on homosexual reproduction, and the idea of homosociality involves a structural mechanism concept (Witz and Savage, 1991). Homosocial reproduction embodies a homophily process, which means that organisational members prefer to associate with and/or include other individuals who share common characters with themselves (Roth, 2004). When observing the recruitment process, it can be found that many other informal criteria beyond gender, such as age and ethnic background, consciously or unconsciously influence the outcomes and endow people with different amounts of social power. In this way, homosocial reproduction research gets extended beyond the area of simple "homosocial reproduction" (Fawcett and Review, 2000; Holgersson, 2013).

As has been argued, homosocial reproduction is subject to the influence of uncertainty (Kanter, 1977; Roth, 2004). When uncertainty is high, there is a higher possibility of stronger homosocial reproduction taking place. Affected by circumstances, similarities based on similar outlooks, social backgrounds and certain characteristics contribute to the generational build-up of trust and mutual understanding, which becomes a crucial reference point when choosing new members from outside the organisation and promoting people inside the organisation. This consequently causes the appearance of influential insiders, and furthermore leads to the formation of networks of privilege around these influential insiders (Hudson *et al.*, 2017). The more common features the normal members share with the influential insiders, the more opportunities are afforded

to connect to a more central position in the network. Similarity and shared social characteristics in this circumstance transfer into cultural capital, positively contributing to a member's network bonds and ability to wield influence, further forming an important source of power. Accordingly, when uncertainty decreases, people rely less on personal trust and more heterogeneity is potentially allowed, causing the former closed network circle to be prised open (Kanter, 1977; Hudson *et al.*, 2017).

Influenced by such a phenomenon, the recruitment practice of the organisation is likely to form an ethnic hierarchy, in a similar way to those formed in society. Top managers hire employees who possess similar social backgrounds. Simultaneously, each status in an organisation's hierarchy demonstrates a strong willingness to include people from their own social groups. In such a way, it is likely that the organisational hierarchy in a higher uncertainty environment shows strong links with the social hierarchy. This echoes the key viewpoint of institutional theory, as well as the interaction between social units and social context that is argued by critical theory.

Chapter 3 Methodology

3.1 Research Design

This research takes the British Hong Kong colonial government between 1845 and 1932 as a case study, analysing its recruitment practices, exploring what kind of changes happened in human resource management (HRM) practices, as well as interesting fragmentary episodes worth noting from across this period of time. Consequently, and given the limitation of available resources, the historical research approach should be a suitable research framework for this study.

Historical research is one way to learn and understand the origins and development of a specific chosen area or institution. It may contain the analysis of theory, feature or evaluation, which is the reason that historical research can be applied in all fields of study (Danto, 2008). Researchers started to pay close attention to international business from a historical perspective in the late 1960s, when plentiful and substantial achievements were made in research into American and British MNEs. However, research on peripheral countries started later and less effort has been put into it, leading to the opening up of a research gap in need of filling by historians (Puig and Pérez, 2009). The object of this study is British Hong Kong colonial governance, a special and unique form of colonial administration that could almost be considered a subsidiary of the domestic British government itself. The main aim of the study is to take 100 years of British Hong Kong colonial governance as a case study, using the EPRG Model to investigate the processes of recruitment orientation transfer in order to make a genuine contribution to historical research in the field of colonial HRM.

The deductive research approach starts a study with a theory, the purpose being to implement theoretical tests. It is research logic that moves from theory to investigated phenomenon. In contrast, induction is a research method that works from phenomenon to theory. It is used to generate a new theory or update a theory through analysis of gathered data, or, in other words, to narrow the study to a relatively stable and certain scope (Bryman and Bell, 2003). In this research, both research methods - a discussion of the staffing orientation transfer by analysis of numerical data and of the reasons underpinning it based on historical documents - draw a theoretical summary from descriptive resources. However, according to the research topic and needs, the inductive reasoning was ultimately deemed suitable for this research project.

To fulfil the research aims, a mixed research method was applied in this topic. The research design is portrayed in Figure 3.

Phase	Stage	Procedure	Product
Phase 1	Quantitative Data Collection	• Archival data collecting • Data sorting	• Numeric Data
	Quantitative Data Analysis	• Variable analysis • SPSS • Descriptive statistics • Liner regression	• Correlation between variables
Phase 2	Qualitative Data Collection	• Archival data collecting • Collecting of other historical materials regarding to Hong Kong Colony	• Text data
	Qualitative Data Collection	• Inductive reasoning • Categorising influencing factors • Interpretation and explanation of the quantitative and qualitative results	• Social context • Dimension discussions • Rationalities
	Inferences	• Generalisation • Theorisation	• Implication • Future research

Figure 3 Research design

In phase 1, the analysis will firstly be focused on the phenomenon of staffing practice from the macro-perspective. The phenomenon refers to the recruitment structure of the British Hong Kong Colonial Government and the changes it underwent over a specific period of time. Then, from the micro-perspective, observation of the recruitment phenomenon will include the detailed staffing performance data and discussion of the circumstances and changes in the factors determining recruitment practices, such as position and salary. The purpose of phase 2 is to analyse the *reasons,* based on the outcomes of phase 1. The research will look into the historical social context to generate the potential influencing factors behind the Government's recruiting activities.

In summation, a mixed method approach will be employed to explore this research topic, determined by the availability of resources and research content. Quantitative and qualitative methods will be used, separately discussing the characteristics and nature of the recruitment orientation of the British Hong Kong Colonial Government and its reasons.

3.2 Research Questions

As noted above, in this research, the object of study is the recruitment policy of the British Hong Kong Colonial Government from 1845 to 1932 What will be emphasised is how staffing orientation changed over this time period by separately analysing a multitude of influencing factors and the reasons for these policy shifts., This research therefore follows the explanatory sequential design (Ivankova, Creswell and Stick, 2006; Creswell, 2014), which comprises two phases: (1) phenomenon: the procedure

and details of the staffing orientation and (2) reasons: the factors influencing policy orientation as well as its shift.

Phase 1: Phenomenon

As is suggested by the literature on MNEs, in the initial phase they select an ethnocentric approach for their HRM practice (Perlmutter, 1969). Then, with company growth, policy tends to transfer to polycentric orientation. Finally, MNEs gain experience, ability and confidence in their continuous development and the staffing approach changes to regiocentric or geocentric orientations (Kelly, 2001). Hence, the first research question this study will seek to answer is:

RQ1: Can it be confirmed that, as a multinational organisation, the British Hong Kong Colonial Government adopted the ethnocentric recruitment orientation in its beginning stage?

According to the EPRG model, MNEs that apply the ethnocentric staffing approach prefer to use PCNs to fill the top and important positions, which means that PCNs are deemed more trustworthy and reliable compared with HCNs and third country nationals (TCNs) (Perlmutter, 1969). Therefore, two important factors here are nationality of staff and grade of position. That is to say, the question can be interpreted as whether the senior management positions are mainly occupied by PCNs, and, at the same grade level, whether different nationalities are treated in the same way. In this study's research field – the British Hong Kong Colonial Government's human resources policy – the British played a dominant role over the local population,

explaining why and how the Chinese remained mired on the lower rungs of the governmental administrative system.

Covering 1845 to 1932, this research project uses 'dynamic view' to analyse the HRM practices of the British Hong Kong Colonial Government. Therefore, dynamic view will firstly be explained from the macro-perspective to ascertain the extent to which, if at all, the recruitment orientation of the colonial government experienced changes. The second research question is thus:

RQ2: Did the recruitment orientation of the British Hong Kong Colonial Government change from that which was applied in the early stages of colonial administration? If so, in what way?

To achieve a clear and definitive understanding of whether the recruitment orientation experienced changes and, if so, in which direction these changes occurred, the characteristics of the British Hong Kong Colonial Government's HRM will be explored in detail for the selected period.

The attitude that MNEs hold towards their staff is reflected in many aspects of staffing practice. Consequently, the third research question focuses on this issue, as follows:

RQ3: From the micro-perspective, what changes did the British Hong Kong Colonial Government experience in its HRM practice?

To explore RQ3, the research can be arranged around a multitude of factors. For this study, the following three are considered: salary, promotion opportunities, and rate of salary increases. Accordingly, to enrich the research content and to buttress the study's reliability, these elements are considered as the criteria of recruitment orientation as well. Hence this part of the research is conducted by analysing the relationships between the dependent variable - nationality - with each of the independent variables – salary, promotion opportunities and rate of salary increase.

It is important to note here that each question will be analysed longitudinally, so the details of recruitment practice can be revealed through the dynamic view. The research questions of the first part are listed as the following sub-questions:

a) Did the nationality of employees have an influence on starting salary in the British Hong Kong Colonial Government and, if so, did the way in which nationality affected the starting salary change over the selected period?

b) Did the nationality of employees have an influence on promotion opportunities in the British Hong Kong Colonial Government, and if so, did the way in which nationality affected promotion opportunities change over the selected period?

c) Did the nationality of employees have an influence on the rate of salary increase in the British Hong Kong Colonial Government and, if so, did the way in which nationality affected the rate of salary increase change over the selected period?

In brief, the research on these recruitment phenomena is conducted from both the macro-perspective and the micro-perspective, in which the dynamic view offers another angle from which to evaluate the questions. Put simply, the study will

commence with research to confirm whether an ethnocentric staffing orientation was applied in the British Hong Kong Colonial Government in its early phase and whether this recruitment orientation changed to another pattern over the selected period. While the general framework of the recruitment practice is constructed, the study will narrow down to the micro-perspective to discuss respectively the influencing factors and how, if at all, they changed over the same period.

Phase 2: Reasons

The purpose of this second part is to analyse the *reasons* behind any changes, based on the results of the first part of the research. First of all, RQ1 sought to confirm whether the British Hong Kong Colonial Government used an ethnocentric orientation in its recruitment strategies, and, therefore, this part firstly discusses the influencing factors that may have played a role when the colonial government chose a particular recruitment orientation in its early years. If the ethnocentric orientation is successfully confirmed as having been applied in the early stages of colonial rule, this research question is designed to answer the *reason* why ethnocentric orientation was used in this specific case. However, if the research results for RQ1 are not what the theories of MNE HRM suggest, then the task of this part is to analyse what factors made the practice of HRM in the British Hong Kong Colonial Government differ from what the concerned theories posit. In short, this research question is described as:

RQ4: Based on the EPRG Model, what factors influenced the British Hong Kong Colonial Government to choose/not to choose an ethnocentric HRM recruitment orientation in its early phase?

The second part of the reasons analysis corresponds to the research concerned with the dynamic development of HRM practice between 1845 and 1932 in the colonial government, examined in RQ2 and RQ3. This part aims to explain the reasons behind any changes or lack thereof in the recruitment orientation that had been formed in Britain's rule over Hong Kong in its beginning period. As the research results are as yet unascertained, the phenomenon is not clear at this point, meaning the question here depends on whether the staffing orientation in the British Hong Kong Colonial Government changed or not and how this is reflected in the underpinning characteristics of employee recruitment.

Hence this research question is divided into two scenarios:

RQ5: a) Based on the EPRG Model, if the recruitment orientation of the British Hong Kong Colonial Government experienced changes in the years 1845-1932, what are the influencing factors that facilitated the orientation transfer from one to another?

RQ5: b) Based on the EPRG Model, if the recruitment orientation of the British Hong Kong Colonial Government did not change, then why not?

3.3 Research Method

Phase 1 Quantitative Method

The main tasks of phase 1 include a) identifying whether the Hong Kong Colonial Government's staffing approach followed the ethnocentric approach, as addressed by Perlmutter's arguments (1969), and b) from a dynamic view, observing whether, along with the development of government performance in the local environment, the staffing approach changed to one that relies more on the HCNs, as suggested by theory (Kanter, 1977). In order to confirm the which staffing approach, in terms of the EPRG model, was practiced, it is essential to portray the national composition of the top managerial positions. Therefore, in this phase of analysis quantitative statistics, in particular descriptive statistics, are mainly used to specifically reveal the national distribution and the possible connection between nationality and position grade. The analysing outcomes will be further tested by the Chi-squire inferential statistics, to provide a scientific look at the relationships between the tested factors.

The quantitative analysis of this research mainly focuses on descriptive methods, combined with a Chi-squire test at the end to test against the descriptive statistics' outcome. Descriptive statistics provide opportunities to summarise the characteristics of the data and describe what occurred in the sample (Thompson, 2009). Frequency statistics enable understanding of the distribution among discrete data (Larson, 2006). In this case, for instance, they can reveal the population details of the various nationals in the Colonial Government. Crosstabs are applied to portray bivarate relationships (Alferes and Kenny, 2009). For example, the cross-table of position grade and

employee nationality is able to display the national distribution in the Colonial Government hierarchy. These methods draw a sufficient picture of the staffing practices of the Colonial Government during the research period that we are able to understand the national distribution in the Government's hierarchy, the payment condition of each national group, and so on. This information adequately assists in answering the questions regarding the staffing approaches that applied in the Hong Kong Colonial Government and visually tackle the research questions of phase 1. In addition, the Chi-squire test is applied to each variable's relationship discussion to statistically quantify the relationships and enhance our descriptive analysis results (Berman and Wang, 2016). To perform these statistics, analysis in phase 1 was mainly performed using SPSS software.

Quantitative research methods gather data that can then be coded numerically to determine and evaluate certain aspects of the research's objectives (Zikmund *et al.*, 2013). Under the topic of phenomenon analysis, we will examine the data for the research questions set out previously — the British Hong Kong Colonial Government's HRM measures and policy orientation — by analysing the following recorded employee information: office, name, date of appointment and salary. In all of the data types, year, date of appointment and salary are numerical data, whilst office and name are not, but can nevertheless be coded numerically. In addition, the administration's regulation of each employee's performance is the target for analysis, through which the nature of the recruitment orientation of the British Hong Kong Colonial Government can be extracted and summarised. According to the research content and objectives, then, a quantitative approach was deemed the most appropriate research method to adopt for this specific analysing stage.

Phase 2: Qualitative Method

Qualitative methods allow a wide range of research content, offering a way for researchers to deeply explore and explain phenomena by referencing various documents rather than relying on numerical data. Qualitative researchers extract valuable information by way of understanding the meaning of unstructured or semi-structured texts, and then expound a phenomenon or prove a viewpoint (Zikmund *et al.*, 2013). In this research, it was necessary to locate the resources that would generate a fruitful discussion of the reasons underpinning the results. The resources in this case are historic written records, given the specific historical nature of the research. As a consequence, qualitative methods were deemed a sound fit for this part of the study's aims.

For the most part, the grounded theory approach was selected to process the whole analysis of phase 2. Grounded theory approach is accompanied by the inductive research method, proposing the development of research based on abundantly collecting, managing and analysing qualitative data, in order to generate middle range theories (Charmaz, 2008). This is an effective and powerful theory-building instrument. Benefitted by sufficiently collecting and managing qualitative evidence, representative codes can be generated and developed, so that the researcher will be allowed to abstract increasingly predominant concepts through combining the repeated or reciprocally interpreted codes into categories (Charmaz, 2006). It is argued that the most profound purpose of grounded theory is to study social processes (Glaser, 2001; Clarke, 2003). Practicing this approach can assist us in addressing questions relating to *why*. Social

construction scholars argue that this ability to tackle *"why"* questions, by embracing the issues of "what" and "how" of social life, is one of the advantages of grounded theory (Gubrium and Holstein, 1997). In contrast, many of the qualitative research studies nowadays do not commit to the questions of *why* (Charmaz, 2008). In this research, grounded theory can assist us to understand "*why*" based on the phase 1-analysis outcomes of the recruitment practices that obtained in that period. Comprehensively collecting and managing historical qualitative evidence enables us to abstract concepts, hence facilitating the understanding of the factors that influenced recruitment practice and social environment.

As this research reveals the strong relevance of historical, social and cultural characteristics, I integrate activity theory in order to support the qualitative grounded theory arguments. Activity theory provides a conceptual framework that builds connections between individual subject and social reality (Engeström and Miettinen, 2003). Development, as one of its principles, is not only an objective of study, but also a general research methodology, and proposes "formative experiments which combine active participation with monitoring of the developmental changes of the study participants" (Kaptelinin and Nardi, 1997). In the case of the Hong Kong Colonial Government, monitoring each national group's hierarchical status, as well as its treatment as employees in the Government, presents significant sense.

Combining grounded theory and activity theory, the research is able to obtain a general social and cultural-historical view, which directs the research activities of data collection, management and interpretion towards building reciprocal relationships between culture and human interaction (Seaman, 2008). This further corresponds with

the principles of critical theory. Therefore, in multiple senses, the combination of the grounded theory approach and the activity theory approach creates a good fit with the needs and general structure of this research.

3.4 Data Collection

Contrasted with primary data, which is generated by researchers themselves, secondary data are the second-hand resources built on primary data and created by others. Using secondary data improves efficiency, as it saves time in terms of having to go and collect and arrange the data to build the datasets (Bryman and Bell, 2003). Since our case study occurred between the mid-19th and the mid-20th centuries, the methods of observation, interview, questionnaire or other ways to collect primary data are necessarily ruled out, making secondary data ideal for this research. There are six types of secondary data: public or official records, personal documents, biography and autobiography, literature, historical documents and visual media (Chapman and McNeill, 1985). This research will use two of these sources: public or official records and historical documents. As mixed methods are applied in this research and the research subject is divided into two parts, the explanation of the data work is organised into the same bipartite divisions as the past section.

Phase 1: The Quantitative Analysis of Phenomena

Data Source

The data that apply in this part were extracted from the Hong Kong Blue Book, which is the annual official government report collection housed at the British Archive. In the

colonial era, each colony's government or administrative organisation was required to send an Annual Report, known as a Blue Book, to London. The Hong Kong Blue Book offers a rich source of data for this research: on one hand recording all the information on Hong Kong affairs that the government organised, including hospital reports, public works, demographics, criminal statistics, amongst others; and on the other hand, offering a wealth of colonial financial data, such as the schedule of taxes, duties, fees and all other sources of revenue and expenditure in Hong Kong (military expenditure, crown property, and so on). Among this data, one particularly dazzling part is the record of the 'civil establishment of Hong Kong', covering an abundance of information about civil servants, a particularly strong resource for doing research into the colonial government's recruitment practice.

It was soon discovered that the recorded content from the year 1871 to 1933 can be found online (http://sunzi.lib.hku.hk/hkgro/browse.jsp). This is an official records resource, sourced from national archives, and therefore the first part of this section in the study takes the form of archival research (Zikmund *et al.*, 2013). The advantage of this type of data is its authenticity and reliability. Picture 1 shows a one-page example of the Hong Kong Blue Book for the year 1845. As can be seen, a wealth of information can be gleaned from this resource.

Picture 1 Sample page of the Hong Kong Blue Book Civil Establishment

Data Collection and processing

The subject of data collection is discussed in terms of the research question this data helps to answer. The first question aims to confirm whether the British Hong Kong Colonial Government selected an ethnocentric HRM orientation in its early phase. In this research, the period 1845-1850 is determined as the early phase. As the resources are limited, even the colonial government was only officially established in 1843, a complete record cannot be found until 1845. Therefore, this research starts in 1845 and takes five years as the period of the early stage to analyse the recruitment orientation of the British Hong Kong Colonial Government.

From the Hong Kong Blue Book, useful information for RQ1 was collected according to the categories of office position, name and staff nationality. The latter was ascertained by checking each person's surname (this is an important factor that will be

compared with other data here and throughout the research analysis). The nationalities appearing in the British Hong Kong Colonial Government are mainly British, Chinese, Portuguese, and Spanish. Considering that the British Hong Kong Colonial Government, as a subsidiary of the British Home Government, organised and managed daily routine in the Hong Kong Colony then, based on IHRM literatures, British, Chinese and other nationals respectively correspond to PCNs, HCNs and TCNs. In this respect, this research categorises all employees in the colonial government by their nationality, which ultimately corresponds to the categories of PCN, HCN and TCN. The Europeans formed a special community in the Hong Kong Colony, enjoying a unique status that set them apart from other, non-European TNCs (Lethbridge, 1978; Carroll, 2007). This circumstance is obviously reflected in the data analysis process. Given this circumstance, to present data statistics and their discussion more precisely, I decided to further divide the category of TNCs into two subgroups: non-British Europeans and non-European TCNs (the details of nationality classification can be found in Appendix 1). These four employee categories - British, European (non-British), Chinese, and TCNs (non-European) are respectively coded 1, 2, 3, and 4 for the subsequent data analysis using SPSS software.

The nationality of the staff in the British Colonial Government was obtained mainly by three means: a) inferring national origin through surname; b) confirming national origin by position title - for staff in lowly positions their names were not shown but recorded by group, such as "First Class Indian Constable", "Chinese Light-Keepers * 2", 'Chinese Revenue Officers * 30", thus their nationality could be inferred by their position; c) direct indication – the Police Force was recorded in separate pages based on the nationalities of "European", "Indian", and "Chinese", an invaluable source of

nationality. Inferring the individual's nationality by surname inevitably raises some limitations due to the phenomenon of cross-national population mobility. For this reason, this research identifies some of the surnames at a regional level but not to a particular country, such as those belonging to the Arabic and Latin Jews. This did not affect the final categorising of the staff types and simultaneously avoided any inaccuracies during the data sorting process. In addition, as the nationality of each staff member was not directly used as a variable in the data process, sorting the nationalities into the categories of PCNs, HCNs, and TCNs, does to a degree reduce the potential of nationality inaccuracy to adversely impact the numerical data.

The Civil Establishment section of the Hong Kong Blue Book recorded all the employees of the colonial administration, from the very top positions such as governor and department general to the bottom manual positions such as coolies and lascars (British Hong Kong Colonial Government, no date). To compare the position grade and hierarchy status, all the positions are separated into four grades – senior managerial positions, managerial positions, administrative positions and manual positions. Generally, the position grade is divided into the level and nature of the office. For example, the position 'senior managerial staff' mainly refers to the governors and lieutenant governors, the most high-ranking positions in the colonial government, and was accompanied by the largest salaries. This level is followed by the upper-ranking managers, such as generals in different departments, chief justices, chief magistrates and colonial secretaries. Then comes the grade of administrative staff, primarily consisting of the civil services including clerks, accountants, registrars, inspectors and other functional officials such as surgeons, engineers and translators. The last group is manual staff, mainly composed of coolies, seamen and constables (see Appendix 2 for

a detailed breakdown of the position grade classification). These four position types are coded separately, from 1 (= the highest rank), 2, 3, and 4 (= the lowest rank) for subsequent data analysis by the SPSS software.

RQ2 aims to analyse if the recruitment orientation in the early stages of the British Hong Kong Colonial Government, as detailed in RQ1, changed in later years. As a result, the data collection work for this part follows the same methods as RQ1, but extends the time from 1850 to 1932, the final year covered by this research. However, what differs here from the data collection of RQ1 is that the data is not collected annually but every 20 years, because in general employees stay longer than one year, so a great number of repeated data would be obtained if data continued to be gathered on an annual basis. Therefore, periodical data collection obviated what threatened to be a tedious and laborious process of data filtering to avoid repetition. This longitudinal data collection method helped the research to be conducted in a more efficient way and also helped to fill the research gap regarding the lack of historical research based on longitudinal studies in Asia.

The third research question analyses macro-recruitment orientation, namely the influence of nationality on salary, promotion and rate of salary increase. The data needed in this part of the research has been listed above. The information for each employee's salary is recorded directly in the Blue Book, through which data on the salary increases of every person in the colonial government can be gleaned by comparing the situation annually. In addition, as noted in the data collection for RQ1, all the positions are divided into four levels. As a result, checking the position level of every government employee annually, with a view to ascertaining whether it improved

to a higher grade, is the means by which we determine whether employees were promoted. The limitation of this process is that it can only confirm if the person was promoted or not; it does not enable judging as to the extent of the promotion. As with RQ2, the data for this question was also collected every 20 years.

In summation, the Blue Book offers all the quantitative data required for data analysis. The first five years' data will help to understand the recruitment orientation of the British Hong Kong Colonial Government on an annual basis, while a longitudinal dataset is built through RQs 2 and 3 to support a dynamic analysis of changes in HRM practice that may have occurred in later years.

Phase 2: The Qualitative Analysis of Reasons

As mentioned above, this part of the research is made up of RQ4 and RQ5. The qualitative research task is to analyse and summarise the influencing factors of the HRM practice of the British Hong Kong Colonial Government by reviewing the relevant textual documents. The common point of these two research questions is that data collecting needs to cover the development of the colonial government in Hong Kong, its social views, politics and education and talent development. The data can be sourced from historical documents that record historical events and analyse social affairs, such as history books, news and journals, as well as existing research into Hong Kong business and other domains of the colony.

However, the difference in data collection for these two questions is the documents' time span. Q4 analyses the reasons why the colonial government applied or did not apply an ethnocentric orientation in its beginning phase. As explained in the previous

section, the beginning phase covers the first five years of Hong Kong's existence as a British colony, 1845 to 1850, and hence the data must cover this short period. On the other hand, it helps to understand the situation across the board by extending the data collection to a number of years before the colonial government was established. Doing so would embrace the important historical background of the opium trade and the development of British trading policy in the area. As for Q5, it explains the government's recruitment behaviours in later times, and hence, following RQs 2 and 3, the time span of the data collection of this part dates from around 1850 to 1933. The resources used here are unstructured or semi-structured texts, revealing the characteristics of qualitative data.

3.5 Data Analysis

Phase 1: The Quantitative Analysis of Phenomena

In this part of the data analysis, SPSS software is used for basic data arrangements and to determine if there are specific influencing relationships between the concerned variables. According to the research questions, the main independent variable is nationality. Also, in order to have a targeted analysis, each nationality category is a single independent variable in itself.

RQ1 discusses the early phase staffing orientation of the British Hong Kong Colonial Government from a macro-perspective. In other words, this section ascertains whether the nationality of a staff member influenced their position grade in the years 1845 – 1850. Hence employee nationality, including British, Chinese, Indian and others, is the

independent variable, analysed separately according to correlations with position grade. RQ2 analyses any subsequent changes in recruitment orientation. In general, to reveal any such changes it is necessary to analyse data covering the whole period, and so the same method as in RQ1 is used. The difference here being that the data analysis work is redone every 20 years by applying different data. Finally, the changing nature of staffing orientation within the colonial hierarchy can be shown by comparing the results.

RQ3 is designed to discuss the recruitment transfer from a micro-perspective. It breaks Q2 up into sub-questions – each respectively exploring the phenomena of changes in salary, promotion and rate of increase in salary. Therefore, analysis of this part is conducted by determining the correlations of each nationality with the other dependent variables mentioned above. Firstly, figuring out the original situation in the beginning years is necessary as these years are the benchmark for the data covering the later years. As with the data analysis of RQ2, the dataset covers 1845 to 1933. As the information of each individual staff member was recorded annually in the Hong Kong Blue Book, it is possible to determine the year that employees resigned their post or retired by searching the year that the record stopped, thereby enabling the collection of information regarding employees' position and salary changes over their whole colonial government career.

This research considers three types of promotional circumstances:

a) The directly structural position grade promotion. For example, it is written that in 1925 George William Kynoch worked as an Overseer of Water Works (British Hong Kong Colonial Government, 1925), which belongs to the manual

grade (Grade 4). However, in the year 1932, he is listed as Senior Inspector (Grade 3) (British Hong Kong Colonial Government, 1932). Thus, he experienced a position grade promotion from Grade 4 to Grade 3.

b) Class promotion within the same position title. This can be seen in the case of Ko Ha-chun, who was a Third Class Clerk in 1925 (British Hong Kong Colonial Government, 1925) and was offered the post of First Class Clerk in 1932 (British Hong Kong Colonial Government, 1932), thus being promoted from third to first class.

c) Being offered a different job as opposed to formal grade or class promotion. This circumstance can be seen in the case of Sung Sing, who held the position of Chinese Registration Clerk in 1865 (British Hong Kong Colonial Government, 1865). In the last year of his service, it is reflected that he was offered an extra job as an interpreter during his service (British Hong Kong Colonial Government, 1901), and therefore is considered to have enjoyed promotion during his career with the colonial Government.

There are situations where confirmation of promotion presents difficulties. An example of this would be Kwok/Kam-fuk wuo (British Hong Kong Colonial Government, 1925): during the five years he is recorded until his leaving year of 1930, his positions were respectively recorded as Engineer and Second Grade Engineer (British Hong Kong Colonial Government, 1930). It is hard to say what kind of transfer happened between these two jobs. Strictly speaking, this situation does not represent demotion, but it is also hard to view it as some sort of promotion. Hence, this research explores the uncertainty that lies behind each individual promotion circumstance.

Phase 2: The Qualitative Analysis of Reasons

The goal of this part of the research is to further explore the underlying reasons behind the research results of the previous section. To be more specific, this analysis aims to obtain an understanding as to the rationalities of the recruitment phenomena from various social context perspectives. As is suggested by context study, the influencing factors behind MNEs deciding an HR strategy primarily come from two sides – the internal and external environment of organisations (Jackson and Schuler, 1995). Accordingly, the research here will draw on insights offered from these two perspectives, with more focus given to the external environment, or social context, of this research.

RQ4 focuses on the early years of the British Hong Kong Colonial Government, 1845 to 1850. To ensure the completeness and veracity of the research, it is worth considering also the earlier history of both Britain and Hong Kong. Analysis is carried out by discussing the influencing factors of historical events, politics, culture, society, education and other aspects. RQ5 is planned to explore the reasons why the British colonial government changed/did not change its IHRM orientation in the later phases of colonial rule. To answer RQs 4 and 5, content analysis was used. Content analysis is a research technique often used in qualitative research. It allows a large body of qualitative information to be reduced to a smaller and manageable set (Reis and Judd, 2000). In the early stages of data collection, historical materials were gathered to extract sufficient description of the development of Hong Kong society. Through collecting and screening the governmental documents and department despatches, the discussion was able to portray the social phenomena collected from other historical

materials and discuss the correlation of social phenomena and governmental behaviour. The qualitative analysis begins with gathering scattered but related information, followed by a round of categorisation. Along with continuously enriching the data pool with more information of the social phenomena, the process of categorisation is continued and adjusted, eventually reducing to several discussion dimensions. After management and analysis, this qualitative analysis pursues the objective of revivification and interpretation of the social context in question. It then takes this as the field of interaction or social environment where all of the governmental recruiting activities took place (Neimark, 1978; Thompson, 1990) and further analyses the reasons and rationalities of its developments over time.

3.6 Conclusion

In summary, this research enlarges on the historical perspective. It follows an explanatory sequential design – applying the dynamic view – to quantitatively analyse the HR phenomena, uncovering the characteristics and nature of the recruitment orientation of the British colonial Hong Kong government to determine if any changes were experienced, followed by a qualitative exploration of the reasons behind any changes. Initially however, the research was conducted from the macro-perspective, commencing by figuring out the general recruitment orientation and its changes in practice, before a micro-level analysis is undertaken to analyse the detailed staffing measures in the later sections.

Chapter 4 Data analysis 1845 – 1885

4.1 Introduction

As is suggested by the EPGR model, dynamism is a part of its nature (Perlmutter, 1969; Kelly, 2001). This denotes that the staffing orientation of an MNE is allowed to change while the firm growing. It is argued that MNEs tend to play conservatively by adopting ethnocentric staffing methods in their initial stages, expatriating staff from headquarters or recruiting employees from the home country to fill the important positions of an overseas subsidiary. When firms gain certain knowledge and experience of operating in the local environment, they develop confidence and tend to adopt the more HCN-reliant, polycentric staffing method. This helps multinationals to reduce the cost and massive work involved in an expatriation policy. Continuing growth brings MNEs better internationalisation, characterised by rich experience and abundance of capital, which in turn provides a firm foundation for use of the geocentric or regiocentric recruitment method. (Perlmutter, 1969; Kelly, 2001).

According to the EPRG module, it is speculated that, as a first- and fast-moving MNE, the British HK Colonial Government likely experienced changes in its recruitment policies. This research is designed to reveal how the HK Colonial Government operated its the staffing strategy and to further prove the truth (or not) of this research's conjecture. Taking the year of 1885 as the boundary line, the data statistics of the whole period split into two chapters. As the first part of statistics, this chapter will cover the period of 1845 to 1885, aiming to confirm whether the government adopted the

ethnocentric method in its initial phase. For each period of statistics, the discussion will be focused on the elements of position grade, salary, promotion and salary change.

4.2 From 1845 to 1850

To enhance the accuracy of the study results, rather than one-year data collection, the period of this initial phase research covers six years, starting from 1845 and ending in 1850. This starting point is governed by the limitation of available resource as the government was only established in 1843. The main purpose of this early research period is to confirm the staffing approaches that the Colonial Government applied in its initial phase.

4.2.1 The Findings

Based on the HK Blue Book, during the six-year period from 1845 to 1850, a total of 886 civil servants' nationalities can be confirmed, making the total data set of this section 886.

Position grade

As shown in Table 1, the biggest population in 1845 was non-Chinese TCNs (n = 389). These made up 43.9% of the government, followed by the second largest group (26.5%), made up of non-British Europeans (n = 235). Chinese (n = 180) and British (n = 82) respectively made up 20.3% and 9.3% of the whole population. To confirm the staffing strategy of the Colonial Government in its initial phase, this study will firstly evaluate it via nationality hierarchy. What the latter entails is examining the percentages of different nationalities in various position grades, and then analysing other factors such

as salary and promotion, to see whether the results for the first step can be proved and supported by these other factors. Therefore, our initial research focus is on the hierarchy of staff nationality.

Nationality	Number	Percent
British	82	9.3
European (Non-British)	235	26.5
Chinese	180	20.3
TCNs (Non-European)	389	43.9
Total	886	100

Table 1 Employee nationality frequency summary (1845-1850)

Table 2 reveals the break down of the different nationalities' position grades, suggesting the British occupied the dominant positions in the HK government. In the first three grades, it can be seen that the British take categorical superiority, especially in the senior managerial and managerial positions where they hold nearly all seats – only two European (non-British) were nominated in these levels. Similarly, amongst the administrative positions, the number of positions held by the British is more than double the total of the European (non-British) and Chinese. Thus, Table 2 roughly demonstrates that the British held the majority of the high-middle level positions. By contrast, the Chinese and non-Chinese TCNs miss out on all managerial positions. With the exception of a very few Chinese (n = 9) who were able to secure jobs as administrative staff, the rest are all relegated to the bottom positions.

Nationality	Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
British	3	13	50	16	82
European (Non-British)	1	1	13	220	235
Chinese	0	0	9	171	180
TCNs (Non-European)	0	0	0	389	389
Total	4	14	72	796	886

Table 2 Position grade statistics (1845-1850)

It can be clearly seen from Table 3, that the British occupied 73% of all jobs in the top three grade positions, which covers all the high-middle levels. The extremum shows that 88.90% of all managerial jobs were held by the British, with the majority (61%) being at the mid-level administrative grade. 19.50% of the British worked as manual staff, but this only represents 2.00% of the whole position grade. To sum up, this table suggests that the British controlled the senior and middle grade positions in the colonial government's initial phase, with only a few of them working as manual staff. From this, it is not difficult to speculate that the other nationalities had very limited access to positions in the high and middle grades.

British	Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
Number	3	13	50	16	82
% within British	3.70%	15.90%	61.00%	19.50%	100.00%
% within Grade	75.00%	92.90%	69.40%	2.00%	9.30%
Cumulative % within grade	75.00%	88.90%	73.30%	9.30%	9.30%

Table 3 British position percentage statistics (1845-1850)

Table 4 counts the non-British employees, which proves above conjecture that they experienced restricted access to jobs in high and middle grades. In the first three grades, the whole non-British population holds only 26.70% of the positions, which is not a sizable number. According to the statistics, compared to the Chinese and non-European TCNs, European staff were apparently held in high regard, being employed in all grades, while the Chinese and non-European TCNs were not able to touch managerial work. Very few Chinese could obtain an administrative position, with the majority of them, including all non-European TCNs, being held at the manual level, accounting for the main force of the colony's manual labourers.

Nationality	Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
% within European	25.00%	7.10%	16.70%	27.60%	26.50%
% within Chinese	0.00%	0.00%	13.90%	21.60%	20.50%
% within TCNs	0.00%	0.00%	0.00%	48.90%	43.90%
Cumulative % within grades	25.00%	11.10%	26.70%	90.70%	

Table 4 Non-British position percentage statistics (1845-1850)

I use the Chi-square test to confirm whether or not there is a relationship between nationality and grade. The hypothesis of this test is that there is no relationship between these two variables. The results of the test can be found in Table 5. According to the table, it would appear that the hypothesis is rejected. There is a statistically significant relationship between nationality and position grade ($x^2 = 506.0$, df = 9, p < .001), proving that a relationship exists between these two variables.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	506.028[a]	9	.000
Likelihood Ratio	324.234	9	.000
Linear-by-Linear Association	216.361	1	.000
N of Valid Cases	886		
a. 7 cells (43.8%) have expected count less than 5. The minimum expected count is .37.			

Table 5 Chi-squire test result of the relationship between nationality and position grade (1845-1850)

Hence, we can say with confidence that, as posited in our opening theory, the British (PCNs) held the absolute dominant position in the British HK Colonial Government in its early years – almost filling the managerial grades and occupying most of the administrative positions. By contrast, other nationalities mainly worked at the bottom grade, whilst among the non-British nationalities, the Europeans enjoyed relatively more advantages than the others. Apart from the few Chinese that were appointed to administrative jobs, the majority of them and all TCNs (non-European) were engaged as manual labour, staying at the bottom of the colonial government. These findings meet the characteristics of ethnocentric orientation. Therefore, based on the above data, the rough conclusion can be drawn that the HK colonial government applied the ethnocentric staffing strategy in its initial phase.

Salary

Now, moving to the analysis of other staffing-concerned factors, we will discuss whether the results support the findings achieved above. The first factor that will be taken into account is salary. As there is missing salary data for certain individuals, these people are excluded. As a result, the valid data set is counted as 879 rather than 886 for this factor analysis.

Table 6 demonstrates that, on average, the British led the salary category by a distinct margin, easily placing them at the peak of government earners. The salaries of non-British Europeans were higher than those of the Chinese and non-European TCNs, at double those of the latter two groups. The difference between Chinese and non-European TCN salaries was not that prominent, in spite of the perceptible wide range of Chinese salaries. The latter is due to the few Chinese who achieved administrative positions and thus salaries of over 100. However, at 5, the lowest Chinese salary comes in at lower than the non-European TCNs. In fact, with the salaries of the non-European TCNs being relatively stable, varying between 40 and 9.8, this group's earnings actually exceed average Chinese earnings by a small degree.

Nationality	Mean	Minimum	Maximum
British	605.13	10.2	6000
European (Non-British)	45.502	25	472.1
Chinese	19.287	5	125
TCNs (Non-Chinese)	22.019	9.8	40

Table 6 Salary statistics (1) (1845-1850)

The breakdown of total earnings by nationality is shown in Table 7. As before, the monopoly of the British is apparent: 8.80% of the colony's population earn 67.30% of the total salary pot. The non-British Europeans still maintain an obvious advantage over other non-British nationals, while the disparity between the Chinese and TCNs (non-European) remains small, similar to the analysis of average salary shown in Table 6. Demonstrated by the data in Table 7, with regard to salary the dominance of the British was remarkable, greatly exceeding the earnings of any other nationalities. The Europeans, in the middle levels of the hierarchy, fell significantly behind British

earnings, but still fared better than either the Chinese or other TCNs. The data does not show a big difference between Chinese and non-European TCN earnings even though, on average, non-European TCNs earned more than the Chinese. However, a few Chinese were able to achieve a comparatively high salary due to securing administrative positions, as shown in Table 2, which contributes to an increase in their average earnings. People might argue that the salary gap could be brought by the position difference. Taken from the position grade analysis as well as salary, the superior treatment of the British is incontestable. However, further earning comparisons between the remaining nationalities (European, Chinese and non-European TCNs) within the same positions could still be illuminating.

Nationality	N	% of Total	Sum	% of Total
British	77	8.80%	46595	67.30%
European (Non-British)	233	26.50%	10602	15.30%
Chinese	180	20.50%	3471.7	5.00%
TCNs (Non-Chinese)	389	43.20%	8565.4	12.40%
Total	879	100%	69234.2	100%

Table 7 Salary statistics (2) (1845-1850)

The data from Table 8 suggests that different nationals were treated differently in the same positions and within the same years. Generally speaking, as is reflected in the table, Europeans always earned the highest salaries amongst non-British nationals, as compared to the salaries of the Chinese, who earned the lowest. To sum up, the research results into staff salaries supports the conclusion that the British HK Colonial Government applied ethnocentric staffing strategies in its early phase. From the salary perspective, British employees experienced unconditional preferential treatment and Europeans were afforded priority over other non-British nationals. Although non-

European TCNs stayed at the bottom of the hierarchy, on average they still experienced slightly better treatment than the Chinese in the same position.

Police Force			
position (office year)	European	TCNs	Chinese
Sergeant(1845-1847)	50	40	25
Acting Sergeant(1845-1847)	40	30	20
Constable(1845-1847)	35	22.1	15
Sergeant(1848-1850)	47.1	32.1	20
Acting Seargent(1848-1850)	31.7	25	17.1
Constable(1848-1850)	32.1	15.12	12.1
Mean Salary	36.6	21.6	15.7

Table 8 Salary statistics in police force (1845-1850)

As delineated above, salary could be influenced by both nationality and position grade. To confirm how these variables made a difference in salary, the linear regression statistic is applied here. The statistics results are shown in Table 9. As the results suggest, the equation of salary can be expressed as：

Salary = 2051.159 – 699.168 (Grade level) + 23.155 (National code).

Variables	Coefficient	Sig.
Constant	2051.159	.000
Nationality	-699.168	.000
Position grade	23.155	.014
R-square	0.503	
N of total cases	879	

Table 9 Regression results for salary (1845-1850)

R^2 = .501, suggesting that the variables of grade and nationality influenced 50.1% of the changes to salary. However, the coefficient of the national code comes out positive here, which is a different answer to the one revealed in previous analysis. Here, we take the result of descriptive analysis, and will check the regression statistic later to find out the reason why the coefficient of the national code is positive.

Promotion

The research data is longitudinally extended, to observe the treatment changes over a certain period of time. This part of the research corresponds with the dynamic view of the EPRG concept (Isidor, Schwens and Kabst, 2011). Two issues will be discussed: the conditions of promotion and the salary increases within the same group of employees. To support the dynamic element, although the object is the same group of employees as dealt with in Table 9 above, data collection covers the years beyond 1850 until the employees actually left their positions.

The discussion, from the dynamic perspective, starts with an analysis of promotion. Specifically, the target is to assess the rate of promotion amongst the staff who entered employment between the years of 1845 to 1850. At this point, the limiting factor of this discussion is that it cannot take into account the extent of promotion. The promotion statistics results are shown in Table 10. Overall, in the early phase of the HK colonial government, the promotion rate is not impressive – 3.60% of all employees were promoted. Within this very limited space, the British took 78.10% of all available promotions, across around 30% of British staff – once again underlining their special status in the colonial government. Outside of the British, only 2% and 1% respectively

of the non-British Europeans and Chinese experienced job promotion - a tiny proportion, both with regard to nationality and total staff. But the situation of the non-European TCNs was worse – data suggests that none of them was promoted in the early years.

	British	European	Chinese	TCNs	Total
promotion	25	5	2	0	32
Total	82	235	180	389	886

Table 10 National promotion statistics at staff in office during 1845-1850

To prove whether there exists a relationship between nationality and promotion, the Chi-square test is applied. According to the results shown in Table 11, there is a statistically significant relationship between nationality and promotion ($x^2 = 189.4$, df $= 3$, $p < .001$). Therefore, we can safely say nationality did make a difference in staff promotion in the colonial government.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	189.435[a]	3	.000
Likelihood Ratio	104.151	3	.000
Linear-by-Linear Association	89.988	1	.000
N of Valid Cases	886		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 2.96.

Table 11 Chi-squire test result of relationship between nationality and promotion at staff in office during 1845-1850

Salary change

When talking about salary changes, as with the previous research into salary levels of the different nationalities, the staff with missing salary information have been excluded.

Therefore, the valid data size is back to 879. Table 12 reveals the statistical results of changing salary conditions for the different nationalities during their entire period of employment. The negative value refers to a reduction of salary, while a positive number suggests an increase. From the minimum value, it is evident that parts of the British, European (non-British) and Chinese staff experienced cuts in salary. No TCNs had their salaries cut, but it is notable that all TCNs in manual positions sat at the lowest earning standard anyway. The average salary change percentage suggests that, overall, salary levels went up as service years increased. What stands out is that the salary raises for the British, and the pay raise superiority of the European (non-British), is still obvious when compared with the Chinese and non-European TCNs. While limited, even local Chinese staff had an advantage over the non-European TCNs on salary increase.

Nationality	Mean	N	Minimum	Maximum
British	60.99%	77	-50.00%	1300.00%
European	6.14%	233	-50.00%	1040.00%
Chinese	1.36%	180	-40.26%	166.67%
TCNs	0.35%	389	0.00%	134.77%
Total	7.40%	879	-50.00%	1300.00%

Table 12 National salary change statistics (%) at staff in office during 1845-1850

4.2.2 Staffing approach of the Colonial Government in the initial phase

This research discusses the recruitment practices of the British HK Colonial Government in its early phase, specifically the years 1845 to 1850, based on data gathered from the HK Blue Book. It has been confirmed that in the early stages, the Colonial Government applied an ethnocentric staffing strategy; their practice matching

that suggested in EPGR model theory. The situation of the British employees in the colonial government in the initial years was a rich one – they enjoyed the highest positions and salaries and, in the long run, had immensely better prospects for advancement. By contrast, the situation for the other nationals was very different. With the British monopolising the majority of the resources, the Europeans (non-British) stayed at the mid-level and enjoyed obvious advantages over the other nationals. However, the positions and salaries of the Chinese and non-European TCNs were depressed, as were their chances of promotion – especially for the TCNs who unfortunately did not experience promotion in the early stages. The national hierarchy of the early British HK Colonial Government can be illustrated as in Figure 4.
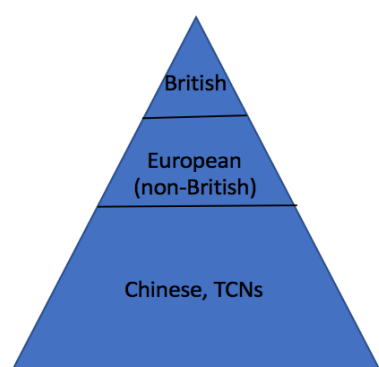
Figure 4 National hierarchy of British HK Colonial Government in the early phase

It is important to note here that the statistics detailed above form part of the quantitative analysis outlined in Chapter 3. They reveal features of the human resources practice of the early HK Colonial Government, but do not explain the reasons behind these recruitment practices. Also, a few of the above discussions were unpacked after data work concerned with the causes had been based on qualitative materials. This was neither systematic nor intensive, but does constitute a limitation of this work.

4.3 1865

In the previous section, the research processed data from 1845 to 1850. It was confirmed that the British HK Colonial Government applied the ethnocentric staffing approach when it was established, as well as in its initial phase of operation. In the following section, the statistics will be processed *every 20 years* to track the dynamic features of the recruitment practices of the HK Colonial Government. In this section, the statistics will focus on the year 1865, as well as on later years for the longitudinal perspective discussion.

4.3.1 The Findings

According to the HK Blue Book, there were 931 employees recorded in the year1865. Apart from 120 employees, the nationalities of the remaining 811 employees can be identified. Hence, the sample size is equal to 811 for this part of the research. These 120 employees not being counted represent 12.89% of the total number. This is a proportion certain to influence the accuracy of our statistics, however this group of people all worked at the manual level, thus receiving very limited incomes.

Position Grade

As has been demonstrated, nationality is an important criterion for identifying different staffing frameworks. Hence, nationality is the independent variable used in the data analysis of staffing practices and approach. Table 13 breaks down the total subjects under analysis (n = 811) as follows: British (n = 85); European (non-British) (n = 122) and Chinese (n = 165),, representing 10.5%, 15%, and 20.3% respectively of the

aggregate positions. Non-European TCNs (n = 439), on the other hand occupied more government jobs than the sum of all other ethnic groups, representing 54.1% of the total.

Nationality	Frequency	Percent
British	85	10.5
European (Non-British)	122	15
Chinese	165	20.3
TCNs (Non-European)	439	54.1
Total	811	100

Table 13 Employee nationality frequency summary (1865)

Then, for the purposes of figuring out the hierarchy of nationalities within the Colonial Government, the research will unpack each national group and explore its distribution across different position grades. As mentioned above, the job grades have been categorised into four types (for the details of each grade, please see the appendix table). It can be seen from Table 14 that apart from one European (non-British) employee who achieved a Managerial grade, the remaining 24 managerial positions went to the British. On the Administrative level, 48 employees out of 95 were British. Among non-British nationals, European (non-British) held 28 posts, the highest number on that grade, followed by the Chinese who had 16 positions. We have already established that TCNs (non-European) were limited in their opportunities: 3 jobs were offered to this ethnic group on this level. The majority of non-European TCNs stayed on the lowest employment strata, as was illustrated in Table 2 when 436 out of 691 manual jobs were seen to be held by this group. With a large gap, the Chinese and European (non-British) followed, holding 149 and 93 manual positions respectively, whilst the British was the smallest ethnic group on this level, with only 13 out of 691 being British.

Nationality	Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
British	2	22	48	13	85
European (Non-British)	0	1	28	93	122
Chinese	0	0	16	149	165
TCNs (Non-European)	0	0	3	436	439
Total	2	23	95	691	811

Table 14 Position grade statistics (1865)

From the data in Table 14, the standout conclusion that can be drawn is that the British were by far the elite – they occupied most of the high and middle level jobs in the British HK Colonial Government during the selected period, and very few of them stayed in low-level positions. Specifically calculating the percentage of British nationals in each position could therefore offer a more straightforward vision and sense of their standing in the Government. Table 15 shows the results of this calculation. According to the data, it suggests that the majority of the British (56.5%) remained at the middle administrative level, meaning they held 50.5% of the positions at this grade. What is remarkable is that the British took 100% of the senior managerial jobs and 95.7% of the managerial jobs. So, with 84.7% of them in middle-high grade positions in the Colonial Government, we can see that they took up 60% of the total positions at this level.

British	Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
Number	2	22	48	13	85
% within British	2.40%	25.90%	56.50%	15.30%	100.00%
% within Grade	100.00%	95.70%	50.50%	1.90%	10.50%
Cumulative % within grade	100.00%	96.00%	60.00%	10.50%	10.50%

Table 15 British position percentage statistics (1865)

As for the non-British nationals, the vast majority of each of the ethnic groups held manual jobs. This was especially true for the non-European TCNs and Chinese, whose nationals held 99.3% and 90.3% respectively of the manual labour jobs, as shown in Table 16. European (non-British) employees had more opportunities for administrative level jobs compared to other non-British nationals: 23% held middle grade government jobs, whilst 76.2% of them worked at manual positions. Thus, in general, European (non-British) nationals enjoyed a relatively more beneficial position with respect to work and prospects than either the Chinese or the TCNs (non-European).

Nationality	Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
% within European	0.00%	0.80%	23.00%	76.20%	100.00%
% within Chinese	0.00%	0.00%	9.70%	90.30%	100.00%
% within TCNs	0.00%	0.00%	0.70%	99.30%	100.00%

Table 16 Non-British position percentage statistics (1865)

The above statistics would suggest, then, that nationality might have made a difference to an employee's position grade. To prove this conclusion true or false, in other words to prove a relationship between the variables of nationality and position grade, the research utilised a Chi-squire test. The hypothesis of this test is that there exists no relationship between these two variables. The results are shown in Table 17, where it

is seen that the hypothesis is rejected. There is a statistically significant relationship between the variables of nationality and position grade ($x^2 = 460.5$, df = 9, p<.001), proving that nationality did play a role in deciding an employee's position grade.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	460.505a	9	0
Likelihood Ratio	355.019	9	0
Linear-by-Linear Association	323.711	1	0
N of Valid Cases	811		
a. 7 cells (43.8%) have expected count less than 5. The minimum expected count is .21.			

Table 17 Chi-squire test result of the relationship between nationality and position grade (1865)

So far, the research into employees' nationality and position has demonstrated that nationality made a significant impact on position grade. British staff mainly worked as managers and administrative workers and very few non-British employees received jobs at the same level. Thus the British, as an ethnic group, consistently retained their high hierarchical level in the Colonial Government compared to other national groups. Non-British Europeans can be considered as the second tier citizens, as this was the only other group able to achieve a high managerial position. They also held a larger percentage of the middle grade administrative jobs, whilst the Chinese and TCNs (non-European) stayed at the bottom. Generally, both of these two groups had more than 90% of their numbers in manual positions. Although, Chinese staff did occupy more administrative positions at the mid-level, out of a much smaller total population size than the TCNs.

Salary

This part of the data analysis is designed to explore the annual income situation according to nationality and to figure out whether the variable of nationality caused income difference in the British HK Colonial Government in the year of 1865. In total 811 employees' data are collected as the research subject, however, because one employee's salary information is missing, the sample size for this chapter is taken as 810.

Table 18 suggests that, as a mean average, British employees earned the highest salaries, at 457.99 pounds annually, followed by the European (non-British) staff at 104.84 pounds annually, showing a significant gap. Chinese and TCNs (non-European) employee's income levels were close, although the non-European TCNs did earn slightly higher than the Chinese by 33.86 versus 28.59 pounds annually. Clearly, when compared with European (non-British), these two groups fell far behind. Hence, from the mean salary perspective, British employees had the most preferential treatment in the Colonial Government in 1865, followed by the European (non-British). Chinese and TCNs (non-European) received the least income, but TCNs (non-European) were ahead of the Chinese. Minimum and maximum salaries followed this same pattern, with British employees at the highest income, followed by the European (non-British), TCNs (non-European), and Chinese in descending order.

Nationality	Mean	N	Minimum	Maximum
British	457.9879	84	30	5000
European (Non-British)	104.8434	122	25	472.1
Chinese	28.5867	165	12.1	150
TCNs (Non-European)	33.8629	439	15	300
Total	87.4623	810	12.1	5000

Table 18 Salary statistics (1) (1865)

Table 19 illustrates the salary incomes of the different national groups by percentage. What is remarkable to note is that 54.30% of the total salaries paid in 1865 went to 10.40% of the total population of the Colonial Government, namely the British. European (non-British) staff that held 15.10% of the posts in the government obtained 18.10% of the total salary pot. For the Chinese and non-European TCNs, the disconnect between the percentage staff numbers and the total salary percentage is very evident. TCNs (non-European) received 21.00% of the total salary but held 54.20% of the total posts. The Chinese nationals' situation was even more extreme; they earned 6.70% of the total salary pot whilst holding 20.40% of the government positions. From this table, the income differences are obvious. Together with Table 20, they demonstrate that nationality clearly had an effect on income levels. In descending order, this can be expressed as: British > European (non-British) > TCNs (non-European) > Chinese.

Nationality	N	% of Total N	Sum	% of Total Sum
British	84	10.40%	38470.98	54.30%
European (Non-British)	122	15.10%	12790.9	18.10%
Chinese	165	20.40%	4716.8	6.70%
TCNs (Non-European)	439	54.20%	14865.8	21.00%
Total	810	100.00%	70844.48	100.00%

Table 19 Salary statistics (2) (1865)

So far, it is suggested that nationality influenced staff salary and that the British employees were treated much more preferentially compared to other national groups. However, for the non-British groups, it might be argued that position could have been an important factor affecting income level. To explore this argument, the research examines the salary situation of different nationals holding the same position. The findings are set out in Table 20. The table sets out data from the police force of the

Colonial Government in the year 1865, which employed European (non-British), Chinese and TCNs (non-European). Here, TCNs (non-European) specifically denotes Indian nationals. As shown, the jobs in the police force mainly covered Sergeant, Acting Sergeant and Constable, and, except for the Chinese, these positions were classified into different classes.

Police Force			
Position	European	TCNs	Chinese
First Class Sergeant	100	55	N/A
Second Class Sergeant	90	50	
Third Class Sergeant	80	45	
First Class Acting Sergeant	80	42.1	25
Second Class Acting Sergeant	77.1	40	
Third Class Acting Sergeant	75	37.1	
First Class Constable	70	35	18.1
Second Class Constable	65	32.1	
Third Class Constable	60	30	

Table 20 Salary statistics in police force (1865)

Suggested by the collected data, there were no Chinese hired as Sergeants. Actually, the Chinese were appointed as Sergeant Interpreters, receiving 40 pounds annually. Whether we consider this as similar to the grade of Sergeant or not, the conclusion could be drawn that European staff always earned the highest salaries in the police force, followed by the TCNs (non-European) and then the Chinese. It also can be seen that, under the same job title (regardless of the class), European (non-British) received a higher income than any other nationals. For example, the Third Class European Sergeants' salary was 80 pounds annually, which was higher than that of the First Class Indian Sergeants, who received 55 pounds annually. At the same time, TCNs (non-

European), even those in the third class positions, always earned higher salaries than the Chinese employees in the same role.

Therefore it can be surmised that, even in the same position, nationality did cause income difference among non-British ethnic groups in the Colonial Government in 1865. This difference can be expressed as: European (non-British) > TCNs (non-European) > Chinese. Thus the findings of Table 19 and Table 20 agree, making it reasonable to suggest that the factor of nationality caused different salary levels in the British HK Colonial Government in 1865.

To confirm the influence of nationality on salary, as well as to reliably demonstrate how it made a difference to the variable of salary, I use the linear regression statistic. The results are shown in Table 21. The equation of salary can be expressed as：

Salary = 1082.472 + 1.552 (Nationality Code) – 352.9 (Grade Code).

Variables	Coefficient	Sig.
Constant	1981.427	.000
Nationality	1.552	.854
Position grade	352.9	.000
R-square	0.467	
N of total cases	810	

Table 21 Regression results for start salary (1865)

R^2 = .467, suggesting that the variables of nationality and position grade exerted a 46.7% influence on salary. The coefficient of the nationality code comes out positive here, though, which is opposite to previous analysis. We will therefore take the results of the

descriptive analysis and the regression statistic will be checked later to find out how to make it more adaptive.

Promotion

This section will examine the Colonial Government's staffing practices by longitudinal data statistics to figure out the promotion prospects amongst the different nationalities. Owing to missing records in the HK Blue Book, the number of invalid entries is 620, representing 76.4% of the total numbers. This is clearly a significant proportion of the Colonial Government employees and will inevitably limit the accuracy of the statistical results.

In this section, the case of promotion includes only employees who were promoted from one position grade to a higher one, such as W. M. Deane, who worked as an Interpreter (administrative position grade) in 1865, but finished his employment in 1891 as Captain Superintendent.

Table 22 suggests that there were a total of 59 employees out of 191 promoted during their office service, representing only 30.89% of the total employee numbers. This demonstrates that, in general, opportunities for promotion were not significant in the HK colonial government. As further proof of their preferential treatment, among those promoted 28 were British – nearly half of the total available promotions. The European (non-British) follow, being offered 33.90% of the total promotion opportunities, with the rest going to the Chinese, who had 11 staff promoted during their working lives. As for the TCNs (non-European), unfortunately, none of them was promoted. This nationality (of which some could have been Indian), mainly held manual positions such

as messenger or coolie, tended to be hired locally and would rarely be promoted (Eitel, 1983). In fact, the 620 staff excluded from the research due to missing records all held manual positions and, as such, would likely not have been promoted. So, in general we can see that promotion prospects within the Colonial government were less than 30.89%. However, the statistical results do reliably suggest a trend within the promotion space of the different nationalities as follows: British > European (non-British) > Chinese > TCNs (non-European).

	Nationality				Total
	British	European (Non-British)	Chinese	TCNs (Non-European)	
Promotion Count	28	20	11	0	59
% within Promotion	47.50%	33.90%	18.60%	0.00%	100.00%
Total	85	47	35	24	191

Table 22 Promotion statistics within nationalities at staff employed in 1865

The Chi-Square test is applied to prove whether there is a relationship between nationality and promotion. The result is shown in Table 23 and suggests that there is a statistically significant relationship between nationality and promotion ($x^2 = 13.894$, df = 3, $p < 0.05$). Thus, based on this result, the statement could be safely made that nationality did make difference to promotion prospects in the Colonial Government in 1865.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.894a	3	0.003
Likelihood Ratio	20.736	3	0
Linear-by-Linear Association	5.79	1	0.016
N of Valid Cases	191		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.41.			

Table 23 Chi-Square test result of nationality and promotion at staff employed in 1865

Salary change

As previously mentioned, salary change statistics are taken from 1865 up to the end of the employee's employment. According to the HK Blue Book, the British HK Colonial Government salaries were paid in British pounds. However, after 1865, whilst the Government still paid staff mainly by pound, a small proportion of the employees selected the HK silver dollar as their salary currency. After 1877, the Government unified their salary payments, taking the HK dollar as the payment method. Thus, different currencies might be involved when comparing employees' starting and leaving salaries. For research convenience, the HK silver dollar amounts paid after 1865 will be exchanged into British pounds.

The Colonial Government tried to push the use of the British pound in its initial phase. However, owing to its short supply, it was hard to collect taxes in pounds, and eventually the Government failed to achieve pound generalisation. In 1863, the Government declared the HK dollar as the official currency, after which HK entered the Silver Standard System, which lasted from 1863 to 1935 (Munn, 2013). Although the real value of a HK silver dollar varied year by year in the HK Colony, for the

purposes of market regulation, the Colonial Government officially announced the exchange rate between the HK silver dollar and the British pound to be fixed at $4.8 equal to £1 (Munn, 2013). Later research states that from the 1840s to 1880s, the average exchange rate between the HK silver dollar and British pound was 4.8:1, so we can infer that the abovementioned fixed exchange rate lasted to the 1880s (Abe, 2017). Unfortunately, the exchange rate in the period after the 1880s has been difficult to pinpoint. As a consequence, the salary change statistics have to exclude those employees who worked in the government in 1865 but whose salary was paid in HK silver dollars after the 1880s. This has caused 13 employees to be excluded from the salary change analysis. Additionally, because of missing records in the HK Blue Book, the available staff members surveyed in this section is 178.

Table 24 shows the statistical salary change results for each nationality. Data on salary increase; decrease and no change was assessed, however we will focus here on the cases of salary increase. There were 70 employees out of the 178 who achieved salary increases post 1965, which represents 39.33% of the total valid. This reveals that salary increase was not a common occurrence in the Government. More than half of the increases were awarded to British nationals (n = 37), followed by the European (non-British) employees, who earned 25.7% of the total number. Of the Chinese, 14 staff experienced income raises, which was not much less than the European (non-British). As for the TCNs (non-European), only one of their number had a salary rise during their tenure, showing how very limited their salary increase opportunities were compared to the other nationalities.

Salary change status		Nationality				Total
		British	European (Non-British)	Chinese	TCNs (Non-European)	
Increased	Count	37	18	14	1	70
	% within increased	52.90%	25.70%	20.00%	1.40%	100.00%
No change	Count	38	21	20	23	102
	% within no change	37.30%	20.60%	19.60%	22.50%	100.00%
Decreased	Count	4	2	0	0	6
	% within decreased	66.70%	33.30%	0.00%	0.00%	100.00%
Total	Count	79	41	34	24	178
	% within total	44.40%	23.00%	19.10%	13.50%	100.00%

Table 24 Nationality salary change status statistics at staff employed in 1865

Table 25 reveals the average salary increases. The European (non-British) experienced the highest mean salary increase amongst all national groups. On average, they had a £105.56 increase from 1865 to leaving Government, followed by £71.68 which was the average increase for British employees. Chinese employees enjoyed a £42.51 mean salary increase. The largest gap existed between the Chinese and the TCNs (non-European), who had an average increase of only £0.42. The table also shows the changes to minimum and maximum salaries across the different nationalities. From this it can be seen that the European (non-British) had lower minimum salary decreases and higher maximum increases than British employees. This impacted on the mean salary levels, meaning that the European (non-British) nationals enjoyed better mean salary increase potential than the British.

Nationality	Mean	N	Minimum	Maximum
British	71.6824	79	-750	1550
European (Non-British)	105.5561	41	-215	2808
Chinese	42.5118	34	0	965
TCNs (Non-European)	0.4167	24	0	10
Total	64.3040	178	-750	2808

Table 25 Nationality salary change statistics at staff employed in 1865

People might argue that salary increase could have been affected by the length of time served by an employee in the Colonial Government. To answer that, we drill down into the Mean data for average salary increase and average annual salary increase across the nationalities, with the results shown in Table 26. The outstanding leaders in this category emerge as the Chinese, with an average salary increase of 101.93%, two times that of the European (non-British). The British at 41.13% scored the next highest average salary rise. Unsurprisingly, the TCN (non-European) employees experienced little salary increase, averaging only a 0.83% rise on their original salary. Thus, the trend in average salary increase and average annual increase would be as follows: Chinese > European (non-British) > British > TCNs (non-European).

Nationality		% of salary change	% of annual change
British	Mean	41.13%	3.77%
	N	79	79
European (Non-British)	Mean	50.33%	5.95%
	N	41	41
Chinese	Mean	101.93%	31.12%
	N	34	34
TCNs (Non-European)	Mean	0.83%	0.14%
	N	24	24
Total	Mean	49.43%	9.01%
	N	178	178

Table 26 Salary change percentage statistics within nationalities at staff employed in 1865

As before, linear regression statistics are now applied to check what kind of relationship might exist between these variables. Similar to the calculation performed on the salary statistics, in order to allow for the fact that both nationality *and* position may impact salary change, the statistics in this section will count position as an independent variable. According to Table 27, as the regression analysis results suggest, the equation of salary increase in colonial government can be written as:

Salary increase amount = -66.633 – 17.807 (national code) + 31.306(position grade)

Variables	Coefficient	Sig.
Constant	-66.633	.000
Nationality	-17.807	.000
Position grade	31.306	.000
R-square	0.154	
N of total cases	178	

Table 27 Regression results for salary increase at staff employed in 1865

R^2 = .154, which proves that nationality and position together exerted a 15.4% influence on salary change. So, this shows that the equation is not that significant and matches what we know of the staffing practices in the Colonial Government. The coefficients of nationality and position grade suggest the higher national code, the lower salary increase; simultaneously, the higher position grade, the lower salary increase. This implies amongst all employees, those with smaller national code and bigger position grade code, for example, British who worked at the administrative and manual posts, were likely to experience higher salary increase.

4.3.2 Discussion

The TCNs (non-European) were the most widely employed nationality in the British HK Colonial Government by number in 1865 – more than half of the total positions were filled by TCNs (non-European). Local Chinese made up the second biggest group, followed by European (non-British). The British were the smallest group, by member size, in the Colonial Government, but occupied almost all managerial positions apart from the one that was held by a European (non-British). At the same time, they received the largest tranche of the salary pot, as well as the most opportunities for promotion and salary increase. All of this confirms the solidity of their dominant position within the Colonial Government at that time. The treatment of European (non-British) employees fell far behind that of the British, but their preferment was still obvious when compared to other non-British nationalities. By contrast, Chinese and TCNs remained at the bottom of the government 'heap', working as physical labour and receiving very limited payment.

In short, the main features of the recruitment practices of the British HK Colonial Government in 1865 showed little difference from that of previously researched periods. Another unchanged feature is the status quo of the national hierarchy. Consequently, the conclusion could be drawn that the Colonial Government maintained their ethnocentric staffing approach in 1865.

4.4 1885

The staffing practices of the British HK Colonial Government from 1845 to 1865 have been examined in previous sections. Based on position grade distribution and salary

data across the different nationalities, it is evident that the Colonial Government applied the ethnocentric staffing approach in its initial stage (1845 – 1850). This section will continue the research, to discover the circumstances pertaining in the year 1885. The purpose of this is to explore how the staffing practices may have developed in the 20 years since our last snapshot in 1865, and to ascertain whether any changes may have caused the staffing framework to transfer an from ethnocentric approach to another.

4.4.1 The Findings

On the basis of the HK Blue Book's records, there were at total of 1441 employees working in the Colonial Government in 1885. A figure of 261 staff out of the total number are excluded in the statistics because their nationalities, one of our independent variables, cannot be confirmed. Hence, the sample size of this section is 1180.

Position Grade

Table 28 generally summarises staff head count and percentages for each ethnic group in the Colonial Government in 1885. It shows that the Chinese made up the majority of the Government in this year, numbering 644 employees and representing 54.6% of total numbers. The gaps between the other three ethnic groups are not that significant: the British (n = 156) held the smallest number of positions, 13.2% of the total, whilst the European (non-British) (n = 178) and TCNs (non-European) (n = 202) respectively contributed 15.1% and 17.1% to the workforce.

Nationality	Frequency	Percent
British	156	13.2
European (non-British)	178	15.1
Chinese	644	54.6
TCNs (non-European)	202	17.1
Total	1180	100

Table 28 Employee nationality frequency summary (1885)

To confirm the staffing approach of the Colonial Government based on the EPGR model, what will firstly be explored is the nationality distribution in each position grade. Table 29 reveals the results of the relevant statistics. As before, the British occupy all senior managerial and most of the managerial positions, with the remaining 3 managerial jobs taken by European (non-British) employees. On the other hand, in the middle and lower position grades, Chinese staff have become the major force. To be specific, the Chinese now hold 96 posts at the administrative level, which is considered as the middle class. This number is larger than that of the British employees (n = 85), followed by 50 occupied by the European (non-British) at the administrative level. Only 3 TCNs (non-European) hold administrative posts, the rest of them (n = 199) working as manual labourers. At the manual grade, 548 Chinese labourers are on the books in 1885, making them by far the largest nationality represented at this level. Respectively, the European (non-British) and British only had 125 and 50 positions at this level.

Nationality	Position Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
British	2	19	85	50	156
European (non-British)	0	3	50	125	178
Chinese	0	0	96	548	644
TCNs (non-European)	0	0	3	199	202
Total	2	22	234	922	1180

Table 29 Position grade statistics (1885)

It is evident then that the British made up the majority of the high managerial workforce in 1885. At the same time, the Chinese now hold the most posts at middle and low level jobs in the Colonial Government, making them by number the biggest national group in the Government. Table 30 further unpacks the data pertaining to the British employees, detailing the percentage of British employees in each grade, as well as the proportionate percentage of British to other nationalities in each grade. As illustrated, in total British employees occupied 87.5% of the managerial positions, both the senior and normal levels. When considering the middle grade (administrative jobs) and low grade (manual jobs), the cumulative percentage dramatically decreases, indicating that British employees did not play a significant role in these levels. In fact, the table demonstrates that the majority of the British, 54.5% of them, worked as administrative staff, even if this number only made up 36.3% of all employees at this grade.

British	Position Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
Count	2	19	85	50	156
% within British	1.30%	12.20%	54.50%	32.10%	100.00%
% within Position Grade	100.00%	86.40%	36.30%	5.40%	13.20%
Cumulative % within grade	100.00%	87.50%	41.09%	13.20%	13.20%

Table 30 British position percentage statistics

The discussion now moves to the non-British ethnic groups. Table 31 further explains Table 29, breaking down the percentages of European (non-British), Chinese, and TCNs (non-European) in each position grade. It reveals that non-British Europeans held 13.6% of the managerial positions, which was the highest grade any non-British employee could reach in the Colonial government in 1885. In other grades, the outstanding statistics relate to the Chinese who held the most posts – 41% of the administrative jobs and 59.4% of the manual jobs. Furthermore, in total, local Chinese occupied more than half of all government positions. This would suggest that British employees were hired to fill the vast majority of high managerial jobs, while Chinese staff were engaged as the main force in middle-low level positions.

Nationality	Senior Managerial	Managerial	Administrative	Manual	Total
% within European (non-British)	0.00%	13.60%	21.40%	13.60%	15.00%
% within Chinese	0.00%	0.00%	41.00%	59.40%	54.60%
% within TCNs (non-European)	0.00%	0.00%	1.30%	21.60%	17.10%

Table 31 Non-British position percentage statistics (1885)

Comparing the data statistics from previous periods, what is surprising now is the distribution of nationalities at administrative level. It is therefore worthwhile drilling down into this data for the administrative level for a more detailed look. Table 32 shows that the Chinese ethnic group held the most positions (n = 96), making up 41% of the total numbers, followed by 36.3% British, who held 85 jobs at this level. The smallest ethnic numbers are the TCNs (non-European) whose 3 administrative staff represent 1.3% of the total. This shows that Chinese employees now play an important role in middle class positions, and, numbers-wise, they hold a dominant position.

	Administrative		Total
British	Count	85	156
	% within total	36.30%	13.20%
European (non-British)	Count	50	178
	% within total	21.40%	15.10%
Chinese	Count	96	644
	% within total	41.00%	54.60%
TCNs (non-European)	Count	3	202
	% within total	1.30%	17.10%

Table 32 Administrative position percentage statistics (1885)

The above descriptive statistics generally show that nationality may still impact an employee's position grade. To prove there is a significant relationship between the variables of nationality and position grade, the research utilised the Chi-squire test. The hypothesis of this test is that there is no relationship between these two variables. The result is shown in Table 33, where the hypothesis is rejected. There is therefore a statistically significant relationship between the variables of nationality and position grade (x^2 = 319.278, df = 9, p<.001).

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	319.278a	9	0
Likelihood Ratio	285.039	9	0
Linear-by-Linear Association	271.516	1	0
N of Valid Cases	1180		
a. 7 cells (43.8%) have expected count less than 5. The minimum expected count is .26.			

Table 33 Chi-squire test result of the relationship between nationality and position grade (1885)

To date, it is evident that nationality did impact employees' position grade. As British staff held the lion's share of managerial jobs (including senior and normal managerial jobs), they maintained their dominance within the British HK Colonial Government. European (non-British) was the only other nationality able to share managerial positions with British, albeit this was limited. The nationality running ahead of others by number was the Chinese, who took more than half of the total posts in the Colonial Government. The majority of the Chinese worked as manual labourers, but at the same time, it was the biggest group in the middle administrative grade. Moving to the salary discussion will give our analysis a more comprehensive view.

Salary

The salary statistics will demonstrate the annual income situation of each nationality in the Colonial Government, aiming at exploring whether nationality still made a difference on a Government employee's income in 1885. There are 3 out of 1180 employees' salary records missing, reducing the sample size in this section to 1177 staff.

Table 34 details the salary statistics for the different nationalities from a mean, minimum, and maximum perspective. It shows that a British employee's mean salary in 1885 was $1785.4 annually, more than 2.5 times that of the European (non-British) staff, who received $657.8 per year. The third income rank is the TCNs (non-European), earning an average of $184.46 per year, while local Chinese employees earned the lowest annual salary (n = $144.48) amongst all nationalities. The rankings on minimum annual salary match those of the mean. However, from the perspective of maximum

salary, British staff were far ahead with an annual income of $24000. The TCNs are the next highest annual earners, with maximum earnings of $3360 per year. At the same time, maximum annual salaries for the European (non-British) and Chinese employees were $2880 and $1800 respectively in 1885.

Nationality	Mean	N	Minimum	Maximum
British	1785.4	153	60	24000
European (non-British)	657.8	178	54	2880
Chinese	144.48	644	18	1800
TCNs (non-European)	184.46	202	24	3360
Total	442.28	1177	18	24000

Table 34 Salary statistics (1) unit: US dollar (1885)

Table 35 discusses the income situation from a macro perspective. What stands out is the income level of British staff: in 1885, 13% of the total government employee population earned 52.5% of the total salary pot. So, their income remained at a high level. By contrast, the Chinese, at 54.7% of total employee numbers, earned 17.9% of the total salary pot Similar to the Chinese, the TCNs (non-European) stayed at a low-income level as well. They represented 17.2% of the staff total, but only earned 7.2% of the total salary pot. However, the gap can be seen when comparing the annual income of the Chinese with that of the TCNs (non-European). Chinese employees numbered 3.1 times the number of TCNs (non-European), but their annual salary total was only 2.4 times that of TCNs (non-European), indicating that Chinese annual income was still lower than that of the TCNs. European (non-British) held 15.1% of the government posts and were paid 22.5% of the total salary pot. Whilst this does reveal a large gap between them and the British, they were still more preferentially treated by the Government than other non-British ethnic groups.

Nationality	N	% of Total N	Sum	% of Total Sum
British	153	13.00%	273166	52.50%
European (non-British)	178	15.10%	117088	22.50%
Chinese	644	54.70%	93047	17.90%
TCNs (non-European)	202	17.20%	37260	7.20%
Total	1177	100.00%	520561	100.00%

Table 35 Salary statistics (2) (1885)

So far, this shows a definite relationship between nationality and salary existed. However, people might argue that salary could have been directly influenced by position grade as well. In answer, Table 36 details the salary situation within the police force, which is the institution that hired European (non-British), Chinese, and TCNs (non-European). The purpose of this analysis is to assess what different nationalities were paid at the same position level. It reveals that European (non-British) were only hired into the positions of First Class and Second Class Constable, with significantly higher salaries than any other nationalities within and outside of these two positions in the police force. Therefore, the remaining comparisons can only be done between the TCNs (non-European) and the Chinese. The position of First Class Sergeant offered three standard salaries for Chinese employees, with the highest level reaching $300 annually. The latter was higher than that for a TCN First Class Sergeant (n = $270). However, apart from this one instance, TCNs' annual salaries in other positions are consistently higher than Chinese staff in the same position.

Job Title	European (non-British)	TCNs	Chinese
First Class Constable	540	168	96
Second Class Constable	480	162	84
Third Class Constable	/	150	60, 72
First Class Sergeant	/	270	156, 240, 300
Second Class Sergeant	/	246	132, 144
Third Class Sergeant	/	234	108
First Class Acting Sergeant	/	216	132
Second Class Acting Sergeant	/	210	120
Third Class Acting Sergeant	/	192	108

Table 36 Salary statistics in police force (1885)

Consequently, European (non-British) earned the highest salaries among non-British employees followed by the TCNs, whilst the Chinese earned the lowest. This finding is consistent with previous salary statistics. Integrating with Tables 34, 35 and 36, the general conclusion could be drawn that income levels within different national groups in the British HK Colonial Government in 1885 followed the diminishing order: British > European (non-British) > TCNs (non-European) > Chinese.

Liner regression statistics have been applied to obtain a reliable understanding of the relationships between salary, nationality and position. The results are shown in Table 37. As the results suggest, the equation of salary can be expressed as：

Salary = 4458.195 – 204.675 (nationality) – 1323.484 (Position grade)

Variables	Coefficient	Sig.
Constant	4458.195	.000
Nationality	-204.675	.000
Position grade	-1323.484	.000
R-square	0.384	
N of total cases	1177	

Table 37 Regression results for salary (1885)

$R^2 = .384$, suggesting that the variables of nationality and position grade exerted a 38.4% influence on salary. Although the R^2 value is small, it does reveal that 38.4% of the employees' salaries were identical with the formula computing results. However, the negative coefficients of the two independent variables indicate the negative impacts of nationality code and position code on the salary, which matches the results of previous descriptive statistics. On the other hand, it also proves that from the perspective of salary, there was a diminishing order existing in nationality code, which means higher codes normally indicate lower salaries.

To sum up, British employees' salary standards stood ahead of all other nationalities in the British HK Colonial Government in 1885. By contrast, the income of Chinese and TCNs (non-European) employees tended to be low, in particular for the local Chinese staff who generally had a lower annual salary than TCNs (non-European). Although European (non-British) income fell behind that of the British by a large margin, their advantages were still obvious when compared with other non-British ethnic groups.

Promotion

In the following sections we move to a dynamic perspective, exploring the changes to position and salary variables across different nationalities by analysing longitudinal

data. Missing information occurs in 781 employees' employment records, consequently reducing the valid data size in promotion statistics to 399.

Table 38 reveals in the valid data from 399 employees. There were 108 in total that achieved promotion, which represented 27.07% of the total employees. What is remarkable is that half of these promoted staff (n = 54) were British. In the remaining ethnic groups, the Chinese benefitted from the most chances – 24 Chinese were promoted during their service in the Colonial Government. The gap between the Chinese and European (non-British) promotion statistics is not large – 21 European (non-British) employees were promoted, which made up 19.4% of total promotion. Finally, TCNs (non-European) had the least number of promotions: only 9 TCN staff were promoted during their service. It is possible to argue that the valid TCNs (non-European) data size is the smallest and thus, proportionately, 42.9% of them were promoted, making them the nationality most likely to experience promotion. However, one must point out that the large amount of missing data concerned staff that all worked at the lower grade, less promoted, positions. It is highly likely that these excluded staff came from China and other third countries. If choosing to count the above TCN percentages, promotion percentages within nationality may change, but the results of British and European (non-British) will remain reliable.

	Nationality				Total
	British	European (non-British)	Chinese	TCNs (non-European)	
Total	156	71	151	21	399
Promotion	54	21	24	9	108
% within Promotion	50.00%	19.40%	22.20%	8.30%	100.00%
% within Nationality	34.60%	29.60%	15.90%	42.90%	27.10%

Table 38 Promotion statistics at staff employed in 1885

Hence, to draw the conclusion safely, the research will focus more on promotion numbers and the percentages of each ethnic nationality within the total promotion. According to the available data, there is a diminishing order among different nationalities being promoted in the British HK Colonial Government: British > Chinese > European (non-British) > TCNs (non-European). The Chi-Square test is applied to prove the theory that there is a relationship between nationality and promotion. The result is shown in Table 39, suggesting that there is a statistically significant relationship between nationality and promotion ($x^2 = 16.930$, df = 3, p < 0.05). Thus, based on this result, the statement could be safely made that nationality did make a difference to promotion chances in the Colonial Government.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.930a	3	0.001
Likelihood Ratio	17.568	3	0.001
Linear-by-Linear Association	6.319	1	0.012
N of Valid Cases	399		
a 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.68.			

Table 39 Chi-Square test result of nationality and promotion at staff exmployed in 1885

Salary change

This section discusses the salary change situation among different nationalities. It needs to be explained that, to avoid repeat counting, the time span of the statistics covers 1885 to the year that each employee left the Colonial Government, rather than from initial appointment to the end of their service. Owing to the missing civil establishment records of the HK Blue Book, there are 784 employees that could not be

included in the analysis; hence, the valid data of this section being set at 396. The purpose of the following analysis is to divine whether ethnic identity was an important factor impacting changes in employees' salaries post 1885.

Before discussing the salary change details, Table 40 reports the population of those who achieved salary increases, decreases and no salary changes in the different ethnic groups. Of the total 396 employees, 219 staff salaries were increased during their employment, which counts as 55.30% of the total population. 167 employees' salaries stayed the same until they left, and 10 out of the 396 employees had their salaries lowered compared to their early service years in the Colonial Government. This number counts as 2.53% of the total. So, salary decreases were uncommon in the government, which will be discussed in the qualitative analysis chapter. In general, the most salary increases occurred for British employees: 84 British staff salaries were raised during their government careers. This number is followed by 74 Chinese employees who achieved salary increases. At the same time, there were 47 European and 7 non-European TCNs achieving salary increases, respectively counting as 21.50% and 4.20% of the total. Therefore, the diminishing order of the chances to achieve salary increase across the nationalities was: British > Chinese > European (non-British) > TCNs (non-European).

Nationality		Decreased	Increased	No change	Total
British	Count	5	84	64	153
	% within the change	50.00%	38.40%	38.30%	38.60%
European (non-British)	Count	1	47	23	71
	% within the change	10.00%	21.50%	13.80%	17.90%
Chinese	Count	4	74	73	151
	% within the change	40.00%	33.80%	43.70%	38.10%
TCNs (non-European)	Count	0	14	7	21
	% within the change	0.00%	6.40%	4.20%	5.30%
Total	Count	10	219	167	396

Table 40 Salary change status statistics at staff employed in 1885

However, the above analysis simply considers the numbers of salary increases within each nationality, possibly prompting people to argue that different nationalities held different numbers of positions in the government, thereby enhancing the number of salary increases possible in certain nationalities and not directly indicating the government's preferential treatment of certain nationalities. For instance, the Chinese accounted for 38.10% of total staff numbers, but the Chinese employees given salary raises represented only 33.80% of the total salary-increased staff numbers. This was at a lower standard than the British, European (non-British), or TCNs (non-European).

Table 41 illustrates the mean of each nationality's salary change statistics. It suggests that in general, employees in the British HK Colonial Government achieved a mean salary increase of $392.65 across all nationalities. On average, British employees had a $686.281 increase on salary, the highest among all ethnic groups, followed by European (non-British) employees who had a mean $409.07 increase. The gap between the Chinese and TCNs (non-European) was small: respectively, they experienced $124.99 and $122.43 salary rises on average, both of which were below the mean. The

cases of salary decrease will be discussed in later chapters. The diminishing order of maximum increase matched that of the mean across all nationalities. Therefore, the conclusion could be drawn that the average salary increase and maximum salary increases across different nationalities followed the same order: British > European (non-British) > Chinese > TCNs (non-European).

Nationality	N	Mean	Minimum	Maximum
British	153	686.281	-1140	9000
European (non-British)	71	409.0704	-360	3432
Chinese	151	124.9881	-240	2400
TCNs (non-European)	21	122.4286	0	1740
Total	396	392.6495	-1140	9000

Table 41 National salary change statistics at staff employed in 1885

Because of the difference in original salary among different employees and different nationalities, the standard salary increase varies from case to case. Thus, it might be difficult to confirm the percentage gains. Table 42 reflects these statistics, offering a mean salary increase percentage comparison for the different nationalities. Also, considering the various office service lengths among employees – some of them worked 1 year in the Colonial Government, while some kept their positions as long as 40 years – the salary raises may also have been impacted by length of service. To reduce the influence of this factor on the salary increase amount, and to more directly reflect the relationship between salary increase and nationality, Table 42 also focuses on the annual salary increase percentage.

Nationality		Salary increase percentage	Annual salary increase percentage
British	N	153	153
	Mean	89.85%	6.99%
European (non-British)	N	71	71
	Mean	81.31%	6.99%
Chinese	N	151	151
	Mean	36.69%	3.12%
TCNs (non-European)	N	21	21
	Mean	18.35%	2.10%
Total	N	396	396
	Mean	64.26%	5.26%

Table 42 National salary change percentage statistics at staff employed in 1885

Data from Table 42 suggests that the mean annual salary increase percentage for each nationality was identical to the trend seen in the regular mean salary increases: British > European (non-British) > Chinese > TCNs (non-European). The gap between the British and European (non-British) was not that obvious: each had a mean 89.85% and 81.31% salary increase respectively. On average, the TCNs (non-European) experienced an 18.35% salary rise, which was very clearly behind that of the Chinese. At the same time, what is interesting is that the mean annual salary increase percentages of the British and European (non-British) stayed the same – both had a 6.99% increase annually. Chinese staff still earned slightly higher than TCNs, achieving 3.12% and 2.10% average annual increases respectively.

From the results of these descriptive statistics, different nationalities indicate different salary increase levels. To confirm this result is true, the Chi-Square test is applied, which will identify whether the relevant relationship between the independent variable nationality and the dependent variable salary increase existed. Table 43 shows the test

result, suggesting that there is a statistically significant relationship between nationality and salary increase (x^2 = 337.9, df = 288, p < .05). This proved a relationship existed between these two variables.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	337.934a	288	0.023
Likelihood Ratio	299.992	288	0.301
Linear-by-Linear Association	28.105	1	0
N of Valid Cases	396		
a. 380 cells (97.9%) have expected count less than 5. The minimum expected count is .05.			

Table 43 Chi-Square test result of the relationship between nationality and salary increase at staff employed in 1885

Moving to the linear regression statistics, we can check what kind of relationship existed between these variables. For the same reason we considered when drawing up the salary statistics — apart from nationality, position might also have impacted on salary change – the statistics in this section will count position grade as another independent variable. According to Table 44, as the regression analysis results suggest, the equation of salary increase in the colonial government is that:

Salary increase amount = 1392.006 – 190.928 (national code) – 337.11 (position grade)

Variables	Coefficient	Sig.
Constant	1392.006	.000
Nationality	-190.928	.000
Position grade	-337.11	.000
R-square	0.114	
N of total cases	396	

Table 44 Regression results for salary increase at staff employed in 1885

R^2 = .114, which proved nationality and position grade variables exerted an 11.4% influence on salary change. This shows that the equation is not significant and matches what we know regarding the staffing practices in the Colonial Government, however, the coefficient of the two variables is negative, which reflects higher nationality and position codes and a lower salary increase. This proves that, from the salary increase perspective, there is a diminishing order of British > European (non-British) > Chinese > TCNs (non-European), which matches with what we found in the descriptive statistics. Additionally, it also suggests that higher position grades experienced higher salary increases in the Colonial Government.

4.4.2 Discussion

Till now, the research has presented data collection and statistics for the year 1885. In this Discussion section and based on the above statistics, firstly I will analyse and summarise the features of recruiting practice that were current in the British HK Colonial Government in and after 1885. Next, in the following section, the discussion will cover the dynamic perspective, to define the changes in staffing practice by comparing this time frame with those in previous periods.

Employee treatment – from the perspective of nationality

Previous sections in this chapter have focused on data statistics from each aspect of employment practice, and have confirmed that the variable of nationality impacted treatment standards in each selected year. In this section, the discussion will be organised on the basis of ethnic groups, to generally elaborate on the circumstances of

each nationality in the Colonial Government. From this, I expect to identify the structure of the national hierarchy in the Government in 1885, and then to estimate the specific staffing approaches that applied in the Colonial Government at the time.

BRITISH EMPLOYEES

The British were the smallest ethnic group in the Colonial Government in 1885, accounting for 13.2% of the total employee population. However, from the perspective of position grade, they held a large advantage over other nationalities – in general, the British distribution across different position grades when sorted from highest to lowest represented a diminishing trend. British employees occupied 87.5% of the managerial jobs (including 100% of the senior managerial jobs and 86.4% of the normal managerial jobs), while only 5.4% of British staff were employed in manual labour positions. Also, their salary standards remained at peak levels by a large margin: they enjoyed more than $1000 higher mean annual income than the second highest earning nationality. More than half of the employees who worked in the Colonial Government in 1885 were British, and, from the perspective of salary change, 38.4% of the total salary increase opportunities went to British staff. This was the biggest proportion across all nationalities. As regards increase amounts, on average British staff were granted $200 more in salary increases than the second highest earning national group. The majority of the data suggests that British employees benefitted from more preferential treatment than any other ethnic group in the Colonial Government. In spite of being the smallest group by number, they received the most resources and rights in the government.

There were, however, a few instances where the data showed there was a chance that other nationalities could get close or even surpass the British in some aspects and these situations remain to be discussed. For example, in Table 38, it is suggested that 34.6% of the British employees achieved promotion, which was a lower percentage than that of the TCNs (non-European), who had 42.9% of their nationals promoted. However, to better understand this situation we need to return to Table 31. Here, we saw that a total of 156 British staff worked in the Colonial Government in that selected year, meaning that all employees were accounted for and included in this statistic. Now, in reality there were 202 TCNs (non-European) included in the research, but only 21 out of them were counted in the statistic due to missing records. Those excluded were low-level manual labourers with much lower possibilities of promotion during their time in service. Thus, the missing records skew the statistic; the actual promotion percentage of TCNs (non-European) was likely to be much less than 42.9%. Whilst the promotion statistics of the British, with 34.6% of them receiving promotion, is safe to be considered a solid result.

Therefore, the statistics from multiple perspectives all proved that British employees enjoyed outstanding treatment. They occupied all senior managerial and most of the normal managerial positions, and, at 13.2% of the total staff population, earned more than half of the total salary pot. From the longitudinal data, we see that the British had the biggest potential to advance, both in salary and position.

EUROPEAN (NON-BRITISH) EMPLOYEE

The European (non-British) made up 15.1% of the total employee numbers in the British HK Colonial Government in 1885, so its population size was larger than the

British but was still not a dominant size in the Government. What was significant is that the European (non-British) employees were the only other ethnic group that could be hired into managerial posts, illustrating their special standing amongst non-British staff. Apart from the 28.1% of them working at the middle administrative level, the rest of the ethnic group stayed at the manual grade and therefore are indistinguishable from other non-British nationalities. From the aspect of income, the mean salary of the European (non-British) was significantly lower than the British, but was still about 3.5 to 4.5 times higher that of other non-British employees' average salaries. In addition, in the same position (see Table 36), European (non-British) employees' average salaries were largely higher than the Chinese and other TCNs (non-European). Furthermore, the European (non-British), who earned an average of $657.8 annually, was the only other ethnic group that achieved a higher than average total salary (n = $442.28) apart from British staff in 1885. The data demonstrates that up to and including 1885, European employees maintained a lower hierarchical position than the British, but were treated with obvious preference over other ethnic groups. Their advantages mainly existed in their ability to achieve higher-grade positions and higher average income.

The promotion and salary change statistics relate to the years after 1885. Dealing firstly with promotion, we know that 21 European (non-British) employees achieved promotions, which was less than half the number of British promoted (n = 54). This group's promotion numbers were also slightly smaller than those of the Chinese employees (n = 24). However, if we take into account the fact that the valid European employee number (n = 71) is less than half that of the Chinese (n = 151), we see that 21 out of 71 European (non-British) were promoted during their years of service,

compared with 24 out of 151 Chinese. Hence, promotion possibilities were higher within the European ethnic group than in that of the Chinese. If we consider that the statistics excluded employees due to missing records, then the promotion possibilities of the European (non-British) were likely even bigger than assumed. Lastly, looking through the salary changes of the European (non-British), whilst their average salary increase amount was $280 less than British, it was also $280 higher than those of the Chinese and TCNs (non-European). This further demonstrates the middle standing that the European (non-British) held among all nationalities. Besides, their percentage of average increase and average annual increase were both more than 2 times higher than those of the next highest earning nationality (Chinese).

So, the European (non-British) was a nationality that shared managerial power with the British. Even if it was in a limited capacity, this differentiated them from other non-British nationalities. At the same time, the advantages in other abovementioned aspects all proved European (non-British) employees were much better treated than other non-British ethnic groups, which suggests that they played the role of the middle class in the British HK Colonial Government in 1885.

CHINESE EMPLOYEE AND TCNS (NON-EUROPEAN)

On many occasions in the data analysis, the gaps between the Chinese employees and TCNs (non-European) were insignificant, making it convenient to put these two nationalities together for discussion and comparison purposes.

By 1885, the Chinese was the biggest ethnic group in the Colonial Government, occupying more than half of the total government posts and contributing the most to

the government civil establishment. At the same time, TCNs (non-European) represented 17.1% of the total workforce and was the biggest nationality among non-Chinese ethnic groups. In fact, the size difference among non-Chinese nationalities was not significant, thus, the advantage to the TCNs (Non-European) of being the largest non-Chinese ethnic group was not that obvious. Neither the Chinese nor the TCNs (non-European) could enter any managerial positions, and the majority of both of these two national groups were employed at the manual level. This was especially true for TCNs (non-European): only three of their number held posts at the administrative grade, all the rest worked as manual labourers. It is worth mentioning that even the majority of the Chinese stayed in the bottom job grade, in spite of a considerable number (n = 96) of them being employed as administrative workers. In fact, the Chinese constituted the biggest ethnic group at the administrative grade, reflecting their dominant numbers in the middle class of the Colonial Government. Hence, it can be concluded that from the perspective of position grade, the Chinese were treated better than the TCNs (non-European).

Moving on to income standards, the statistics show that both national groups earned lower salaries than the European (non-British). However, the TCNs (non-European) did benefit from slightly higher payments than the Chinese on mean, minimum and maximum salary. Also, in the same position grade (see Table 36), TCNs (non-European) always earned a higher salary than their Chinese counterparts. Thus, in general, we can say that the Colonial Government treated TCNs (non-European) more preferentially than the Chinese in terms of salary.

As to the aspect of promotion, more Chinese employees (n = 24) experienced promotion than TCNs (non-European) (n = 9). Although the percentage of promotions within the TCNs (non-European) national group was obviously larger than that of the Chinese, showing that from the aspect of nationality, TCNs might have benefitted from more promoted possibility. However, considering that both nationalities had large numbers of missing records, causing significant amounts of their employees to be excluded from the statistics (the TCNs only had 21 valid data entries), the reliability of this percentage statistic is not high. Therefore, in the domain of promotion, the conclusion will be temporarily drawn that Chinese employees received more promotion chances that TCNs (non-European).

When discussing salary changes, a similar issue to that above arises: because the excluded staff numbers are relatively large, the percentage statistics on salary increases within these national groups are not reliable. Hence, the comparison must rest mainly on employee numbers. Consequently, there were far more Chinese (n = 74) that achieved salary increases than TCNs (non-European) (n = 14), revealing an outstanding advantage for the Chinese. What is more convincing is that, although Chinese employees had a slight advantage over the TCNs (non-European) on mean salary change, their advantage on maximum salary increase was relatively prominent. When considering the annual percentage salary increase, the Chinese advantage is even higher, demonstrating a considerable potential for improvement. Concluding the previous viewpoints, it can be stated that the Chinese had more preferential treatment on salary increase than TCNs (non-European) in the Colonial Government in and after 1885.

However, drawing a simple conclusion as to which group was superior between the Chinese and non-European TCNs is more complex than expected. On one hand, the Chinese constituted the main workforce of the middle and lower classes, through which it can be inferred they formed a bigger national group than the TCNs (non-European). From the perspectives of promotion and salary change, Chinese employees obtained better potential for improvement. However, when considering standard salaries, even though many more Chinese than TCNs (non-European) held mid-level positions, it is found that the Chinese average salary was still below that of TCNs (non-European). Furthermore, the Chinese were paid lower salaries compared to TCNs (non-European) in the same position. These facts all reveal that the Colonial Government treated these two nationalities by different standards, and TCNs (non-European) were paid better. Thus, it is hard to simply conclude that one group was treated more preferentially than the other. But what is remarkable to note is the numbers of Chinese in employment in this time period, especially when compared with previous periods. This could be one of the reasons they had any advantages in middle class appointments, promotion, and salary increase.

Staffing approach

Some key features about the British HK Colonial Government's staffing practices in 1885 can be surmised from the above data statistics and discussions. Firstly, PCNs held a dominant position in the Government. Even though they were the smallest national group by number, the British held the managerial power and most of the resources, setting them far apart from the other nationalities. Secondly, the Chinese were the biggest national group by number in the Colonial Government in 1885, filling the

majority of the middle grade administrative posts and lower grade manual positions. TCNs (non-European) mainly worked at the manual level, they had very limited access to middle grade position and no access at all to higher grade positions. From the dynamic perspective, Chinese employees had better promotion prospects than TCNs (non-European), but because their salaries were obviously lower than TCNs (non-European) at this specific year point, it is not safe to decide which nationality of these two held a higher class position. As for the European (non-British), they were under the rule of the British employees, with the majority of them hired into manual positions, which was similar situation with Chinese and TCNs (non-European). However, considering they also had access to managerial roles, thus sharing power with British, and received much higher salaries than other non-British employees in the same jobs, the European (non-British) could be considered as holding a middle class role in the Government. In order to distinguish between them and the Chinese, who occupied the majority of the middle grade administrative posts, this research defines the European (non-British) as the middle-high class.

We can conclude that, according to EPGR model theory (Perlmutter, 1969; Kelly, 2001), because British employees wielded the managerial power and stayed at the peak of the national hierarchy in the Government, the ethnocentric staffing approach was still in force in the HK Colonial Government in1885. Even though the pre-eminence of either the Chinese or the TCNs (non-European) in the hierarchy of nationality cannot be firmly established, the leading position of the British clearly demonstrates that ethnocentric recruiting strategies dominated.

National group status development

The statistical data on the British HK Colonial Government's recruitment practices begins in 1845. Data collection from then until 1885 shows that the Colonial Government retained an ethnocentric staffing approach during this time. There were, however, some changes to the detailed staffing practices, which will be discussed in this section.

In general, staff numbers increased in each period studied: 1845-1850, n = 886; 1865, n = 811; 1885, n = 1180. This shows that the Government experienced a steady growth process throughout its initial establishment and early to medium phases. Table 45 plots these number changes specifically from the perspective of nationality, from which can be seen the remarkable transfer of numbers from the increase of Chinese and decrease of TCNs (non-European). In the previous three research periods, the percentage of Chinese employees remained stable at 20.3% of the workforce. However, in 1885, it dramatically raised to 54.6%, showing that the Chinese occupied more than half of the total staff posts. By contrast, TCNs (non-European) were the majority workforce in the Colonial Government before 1885, but their percentages drop to 17.1% in 1885. The European (non-British) percentage also slightly decreases in this time.

Nationality	1845-1850	1865	1885
British	9.3%	10.5%	13.2%
European (Non-British)	26.5%	15%	15.1%
Chinese	20.3%	20.3%	54.6%
TCNs (Non-European)	43.9%	54.1%	17.1%

Table 45 National percentage statistics (1845 – 1885)

Let us move to discussing the distribution of nationalities in each position grade over the time period. Stability was maintained in managerial positions: with no exception at all, British employees occupied all senior managerial positions from 1845 to 1885 As for normal managerial jobs, apart from the very limited chances offered to European (non-British) — a maximum of 3 were hired in 1885 — all the rest of the posts were held by the British. This is proof of the stabilised control of the British at managerial grade.

Table 46 shows the statistics relating to percentage changes by nationality in administrative and manual positions during 1845 to 1885. British occupancy of administrative positions decreased over time, with percentages halving from 69.44% during 1845-1850 to 36.32% in 1885. The British did not feature significantly at the manual level during any time. Changes in numbers of European (non-British) in administrative jobs was not significant in any period, whilst their occupancy of manual positions did decrease from 27.64% at the beginning to about 13.5% in 1865, before remaining stable. A salient point that does come out of these statistics is that the size of this European (non-British) ethnic group was not big. As for the TCNs (non-European), throughout the research period they had extremely limited access to administrative positions. At the manual grade, an increase happened between 1845 and 1865, followed by a dramatic drop to less than half of the original percentage.

Position grade	Nationality	1845-1850	1865	1885
Administrative position	British	69.44%	50.53%	36.32%
	European (Non-British)	18.06%	29.47%	21.37%
	Chinese	12.50%	16.84%	41.03%
	TCNs (Non-European)	0.00%	3.16%	1.28%
Manual position	British	2.01%	1.88%	5.42%
	European (Non-British)	27.64%	13.46%	13.56%
	Chinese	21.48%	21.56%	59.44%
	TCNs (Non-European)	48.87%	63.10%	21.58%

Table 46 National percentage statistics for administrative and manual positions (1845 - 1885)

Lastly, the statistics found that the percentage of Chinese occupying administrative and manual grade positions significantly increased between 1845 and 1885, going from 12.5% to 41.03% at the administrative grade and from 21.48% to 59.44% at the manual grade. The research shows that in 1885, for the first time, the Chinese nationality became the biggest ethnic group in both grades, revealing a strong growth trend of Chinese in the Colonial Government. The reasons behind this change will be analysed in a later chapter discussing qualitative findings.

4.5 Conclusion

This chapter focused on the statistics for the period from 1845 to 1885. The results suggest that the British HK Colonial Government adopted the ethnocentric staffing approach from its very beginning to the end of the time phase. British employees held the leading and managerial power in the Government and, at the same time, enjoyed

the most preferential treatment over all national groups. On the other hand, what draws a lot of attention is the rise to prominence of the host country nationals, the Chinese employees, especially in the last 20 years of the period. Chinese staff speedily increased in number, becoming the majority workforce in administrative and manual positions. This would suggest that the Colonial Government opened more opportunities to local people in the middle and lower class jobs. However, Chinese employees still received the lowest salaries when compared with other nationalities at the same position, including TCNs (non-European). This caused difficulty in identifying which ethnic group's status was higher, between the Chinese and TCNs (non-European), when both were at the bottom of the hierarchy. From the analysis of longitudinal data, it is clear that Chinese employees had better potential promotion prospects than the TCNs (non-European) in the later years. This potentially forecasts the possibility of a Chinese employee's position status being improved. This conjecture will need to be tested in the statistics of later years.

Chapter 5 Data Analysis 1905 – 1932

5.1 Introduction

The previous chapter analyses the recruitment practices of the British HK Colonial Government from 1843 to 1885. This chapter will continue amassing statistics by focusing on the following period until 1932. The study is conducted based on two points-in-time: 1905 and 1925, each of which gives a 20 year gap in which to track employee promotions and salary change issues from a longitudinal viewpoint. Our data collection will end in 1932 as, due to alterations in the recording methods of the HK Blue Book, it would cause enormous workload and highly complex data sorting processes to take into account the statistics from later years.. The purpose of our study is to explore how the staffing practices develop in successive 20 year periods and whether any changes might demonstrate if the staffing policy may have transitioned from an ethnocentric to another one.

5.2 1905

From the previous chapter's statistics, apart from the ethnocentric staffing approach that definitely applied in the Colonial Government, it was found that for the first time Chinese employee numbers overtook other nationalities making them the biggest ethnic group in the Colonial Government. This section will analyse the staffing practices pertaining in 1905 and track whether the staffing approach experienced changes or adjustments. By demonstrating the position distribution and income situation across different nationalities, the general outcome of the recruitment approach

should be confirmed. The subsequent discussion from a longitudinal viewpoint is expected to offer stronger support of the conclusion as well as to reflect the developing direction and trend of the staffing policy in the British HK Colonial Government.

5.2.1 The Findings

On the basis of the HK Blue Book, there were a total of 3,071 employees hired in the Colonial Government in 1905 but 938 staff out of the total number must be excluded from the statistics because their nationalities are almost impossible to confirm. Hence, the sample size for this chapter is 2,133.

As can be seen from Table 47, out of the total 2,133 government staff, the Chinese represented the biggest group, accounting for 46.7% (n = 997). The non-European TCNs made up about a quarter of the total number, holding 24.2% of the positions (n = 516), followed by the British, who held 16.9% of the positions. The non-British Europeans were perceived as the smallest group with only 12.1% of total government posts (n = 259). The EPGR model identifies different staffing frameworks based on higher-grade managers' nationalities. This statistic considers nationality as the independent variable, and the dependent variables respectively are position grade, salary, promotion, and salary increase. The following sub-chapters will individually discuss the relationships between the independent and dependent variables.

Nationality	Frequency	Percent
British	361	16.9
European (non-British)	259	12.1
Chinese	997	46.7
TCNs (non-European)	516	24.2
Total	2133	100

Table 47 Employee nationality frequency summary (1905)

Position Grade

It can be seen from Table 48 that the British were the senior managers in the Colonial Government. Similarly, they occupied 33 seats out of 35 at the managerial level, while the remaining two were allotted to non-British European and Chinese members of staff respectively. As to the administrative positions, Chinese employees occupied 313 positions, almost half of the total number, followed by the British who held 212 of the total. The gap between British and non-British European administrative staff numbers was relatively large. The TCNs had the least number among all the nationalities at the administrative level, suggested as being 36 people by the records, as the majority of this group was to be found employed at the manual level. In spite of their growing numbers as the administrative level, the Chinese were still the biggest ethnic group hired into manual positions, holding 683 jobs out of 1445. The European (non-British) and the British respectively had 168 and 114 positions at the bottom level, which suggests that neither group was significantly represented at the bottom of the hierarchy.

Nationality	Position Grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
British	2	33	212	114	361
European (non-British)	0	1	90	168	259
Chinese	0	1	313	683	997
TCNs (non-European)	0	0	36	480	516
Total	2	35	651	1445	2133

Table 48 Position grade statistics (1905)

It is certain that British employees had the dominant position among all staff nationalities in the Colonial Government in 1905. Table 49 illustrates this by breaking down the percentage distribution of British employees across all job grades. It demonstrates a decreasing trend for British employees from the highest level to the lowest level in the position hierarchy. At the managerial level, including the Senior Managerial position and the normal Managerial positions, the British held 94.3% of the total roles, reflecting the dominance of this group in the Government's decision-making positions. At the same time, more than half of the group were employed at the Administrative level and about one third of them were recruited as manual labourers.

	Senior Managerial	Managerial	Administrative	Manual	Total
Count	2	33	212	114	361
% within British	0.60%	9.10%	58.70%	31.60%	100.00%
% within Position Grade	100.00%	94.30%	32.60%	7.90%	16.90%
Count	2	35	651	1445	2133

Table 49 Position grade statistics within British employees (1905)

As Table 47 showed that the Chinese were the biggest ethnic group in the Colonial Government, holding almost half of the Colonial Government positions, Table 50 focuses on the position statistics of this group. As can be seen, the majority (68.5%) were employed by the government as manual labourers, which represented nearly half of the total manual labour workforce. At the administrative level, the Chinese again represented half the workforce, with 31.4% of their number employed at this level, considered to be the middle class of the Colonial Government. It can be therefore be summarised that the Chinese generally accounted for nearly half of the total employee population in the Colonial Government, and also occupied almost half of both the middle and lower classes of the whole colonial organisation.

	Senior Managerial	Managerial	Administrative	Manual	Total
Count	0	1	313	683	997
% within Chinese	0.00%	0.10%	31.40%	68.50%	100.00%
% within Position Grade	0.00%	2.90%	48.10%	47.30%	46.70%
Total	2	35	651	1445	2133

Table 50 Position grade statistics within Chinese employees (1905)

The research utilised a Chi-Square test to confirm the relationship between nationality and position grade. The hypothesis of this test is that there is no relationship between these two variables. The result is shown in Table 51 where it is evident that the hypothesis is rejected. There is a statistically significant relationship between the variables of nationality and position grade ($x^2 = 467.3$, df $= 9$, p<.001), which proves a sort of relation existed between these two variables.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	467.307a	9	0
Likelihood Ratio	455.296	9	0
Linear-by-Linear Association	388.751	1	0
N of Valid Cases	2133		
a. 5 cells (31.3%) have expected count less than 5. The minimum expected count is .24.			

Table 51 Chi-Square test result of the relationship between nationality and position grade (1905)

So far, it is not hard to draw the conclusion that the British staff filled the majority of the managerial positions including the senior managerial positions in the Colonial Government, the status quo since its establishment. Locally recruited employees made up the biggest national group in the Colonial Government, showing particular dominance by number of roles held in middle and lower class positions. The Chi-

Square test result suggests that there was a definite relationship between nationality and position grade in the Colonial Government, therefore proving that the nationality did influence an employee's position status.

Salary

When looking at the salary conditions of different nationalities, there was one employee record with missing salary information meaning that one individual had to be removed from the statistics in this section. Thus the total number of employees becomes 2132. In the original 1905 records, salaries were paid in two currencies: the HK dollar and the British pound. For the convenience of calculations in this study, as well as data comparisons with past years, I have converted the HK dollar unit to British pounds by the rate current in the specific year. According to the historical materials, the Colonial Government fixed the exchange rate as 1 dollar = 4 shillings 2 pence during the period from 1863 to 1935 (Eitel, 1983; Carroll, 2007). According to this, 1 British pound was equal to 4.8 HK dollars at that time. Using this rate, all the salary records under the dollar unit have been transferred into pounds.

Table 52 reveals the mean, minimum and maximum salaries of the different nationalities. Based on the results, British employees earned an average of £392.785 per person, which was nearly 3 times of that of the next group in line. The non-British European's earned an average of £139.819 per person. In 1905, both the Chinese and the TCNs (non-European) earned less than half what a non-British European earned, bringing home mean salaries of £61.136 and £48.859 respectively. It is worth noting that 1905 is the first year in which a Chinese employee earned a higher average salary than a non-European TCN. Across all the ethnic groups, the British enjoyed the highest

maximum salary (£6000) — a level impossible to be reached by the any other nationality. However, what is interesting to see is that the British, despite enjoying many more advantages in many aspects of their working life, earned a lower minimum salary than the European (non-British) - another first since the Colonial Government was established. An even more surprising fact is that the Chinese earned a higher maximum salary than the non-British Europeans by a relatively large margin. This has never happened in the statistics to date.

Nationality	Mean	N	Minimum	Maximum
British	392.785	360	12.5	6000
European (non-British)	139.819	259	37.5	962.5
Chinese	61.136	997	5	1500
TCNs (non-European)	48.859	516	5	612.5
Total	123.724	2132	5	6000

Table 52 Salary statistics (1) unit: British pound (1905)

Table 53 shows the percentage comparisons of employee numbers and salaries across different nationalities in the Colonial Government. British pre-eminence is proved once again by the smallest ethnic group (16.9% of total employee population) earning 53.6% of the total salary pot. The European (non-British) occupied 12.1% of the available government positions and took 13.7% of the total payment amount. If taking 1% employee versus 1% salary as the standard level, treatment of the European (non-British) employee was slightly above the standard, but the Chinese and TCNs (non-European) once again fall well below.

Nationality	N	% of Total N	Sum	% of Total Sum
British	360	16.90%	141402.4	53.60%
European (non-British)	259	12.10%	36213.1	13.70%
Chinese	997	46.80%	60953.1	23.10%
TCNs (non-European)	516	24.20%	25211.2	9.60%
Total	2132	100.00%	263779.8	100.00%

Table 53 Salary statistics (2) unit: British pound (1905)

To compare salary differences for nationality without the influencing factor of position grade, Table 54 focuses on the salary situation in the Police Force. It does not include all the positions in the department but the positions that hired all three employee nationalities. What is revealed is that, in all positions, the non-British Europeans earned the highest salaries, followed by the non-European TCNs and then the Chinese. In fact, it was in not only the 1st and 2nd Class Constable but also 3rd and 4th Class Constable positions that European (non-British) employees earned much higher than their TCN and Chinese counterparts. In these roles, they were paid £110 and £100 respectively, still much higher than the higher class TCNs (non-European) and Chinese Constables.

Position	European (non-British)	TCNs (non-European)	Chinese
Sergeant	180 – 140	75	62.5/50
1st Class Constable	150	38.75	37.5
2nd Class Constable	120	33.75	31.25

Table 54 Salary statistics in Police Force unit: British pound (1905)

So, whilst the British remain by far the most preferentially treated, the non-British European staff member's advantage is still prominent compared to the Chinese and TCNs (non-European). However now, for the first time, the lowest salary of a European employee is higher than that of a British one, which would seem to point towards the increasing costs of hiring Europeans into the lower manual positions. Chinese

employees' average pay has overtaken that of the non-European TCNs, but taking into account the same-job-different-salary statistics from the police force records where the TCNs (non-European) received slightly higher salaries than the Chinese, the higher mean salary of the Chinese was very likely due to their increased employment opportunities into the middle class administrative positions that received higher pay.

In general then, we may conclude that nationality did cause salary difference in the Colonial Government in 1905. To confirm the influence of nationality on salary, the Chi-Square test is applied and its results are shown in Table 55. The hypothesis of the test is that there is no relationship between the variables of nationality and salary. The result suggests that the hypothesis is rejected. There is a statistically significant relationship between the variables (x^2 = 3972.186, df = 516, p<.001). This proved a certain relation existed between these two variables.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3972.186a	516	0
Likelihood Ratio	3567.208	516	0
Linear-by-Linear Association	469.15	1	0
N of Valid Cases	2132		
a. 599 cells (86.6%) have expected count less than 5. The minimum expected count is .12.			

Table 55 Chi-Square test of nationality and start salary (1905)

Given this confirmation that nationality influenced an employee's income in the Colonial Government, the research uses the linear regression statistic to find out what kind of relationship existed between these variables in 1905. The results are shown in Table 56. From these results, the equation of salary can be expressed as：

Start Salary = 768.318 – 68.958 (National Code) – 196.114 (Position Grade)

Variables	Coefficient	Sig.
Constant	768.318	.000
Nationality	-68.957	.000
Position grade	-196.114	.000
R-square	0.366	
N of total cases	2132	

Table 56 Regression results for salary (1905)

R^2 = .366, suggesting the variables of nationality and position grade exerted a 36.6% influence on salary, revealing 36.6% of the employees' salary were identical with the formula computing results. It proves that from the perspective of salary, there was a diminishing order existing within the code of nationality, which means higher codes normally indicate lower salary. Therefore, the linear regression statistics results suggest that nationality influenced an employee's salary in an unequal way.

To summarise, nationality caused salary difference in the Colonial Government in 1905. In the same position, income levels across different national groups follows the order: British > European (non-British) > TCNs (non-European) > Chinese. However, the average salary for a Chinese employee was higher than that of a non-European TCNs, which was likely due to their access to higher earning positions; access denied to the TCNs (non-European).

Promotion

The valid data size for this section is 936. Table 57 reveals that of the total 936 valid employee records, 359 of them achieved promotion, representing 38.4% of the 936

total. Of all those promoted, the Chinese benefitted from the most opportunities. As is suggested by the statistics, 41.2% of the total promotions went to the Chinese. Simultaneously, the Chinese had the greatest number of employees promoted within their ethnic group. Promotion prospects for the British were considered moderate. As for the European (non-British), they had fewer of their number promoted, however, considering that fewer Europeans were recruited, the staff that were promoted in fact constituted 44% of their ethnic group. There were not very generous promotion prospects offered to the TCNs (non-European). Amongst all the promoted staff, 8.6% of them were non-European TCNs, and this number constituted 26.1% of the total number of this national group.

Nationality	British	European (non-British)	Chinese	TCNs (non-European)	Total
Total	361	120	336	119	936
Promotion	130	50	148	31	359
% within Promotion	36.20%	13.90%	41.20%	8.60%	100.00%
% within Nationality	36.00%	41.70%	44.00%	26.10%	38.40%

Table 57 Promotion statistics among nationalities at staff employed in 1905

These unequal opportunities for advancement across the different nationalities in the Colonial Government seem to suggest that the factor of nationality might have exerted different influences regarding promotion. Following such a preliminary conclusion, a Chi-Square test is applied to confirm whether the factor of nationality did affect promotional prospects. Table 58 shows the results. As is suggested there is a statistically significant relationship between nationality and promotion ($x^2 = 13.621$, df $= 3$, $p < 0.01$). Thus, based on this result, the statement could be safely put that nationality did make a difference to promotion chances in the Colonial Government.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.621[a]	3	0.003
Likelihood Ratio	13.974	3	0.003
Linear-by-Linear Association	0.011	1	0.917
N of Valid Cases	936		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 45.64.			

Table 58 Chi-Square test result of nationality and promotion at staff employed in 1905

Salary Change

This section will discuss employee salary changes during the selected time period: 1905 to 1932, or the end of their service if they left the Colonial Government before 1932. Similar to the promotion statistics above, there is a large group of employees that worked in the lower manual positions whose names were not recorded in the Blue Book; hence this group of staff is not valid for the statistics. Consequently, the valid data under this section is 936.

First of all, the statistics focus on the salary change status across different nationalities. As is suggested by the Table 59, 52.9% of the total valid employee numbers experienced salary increase; 40.4% of employees' salaries remained at the same level during their entire time in service, and the remaining 6.7% had their salaries decreased. Among all those with salary increases, the British and Chinese almost equalled each other, with 39.6% and 39.4% of the total salary increase numbers respectively. 13.3% of the employees whose salaries were raised during their service were non-British Europeans, while only 7.7% of the salary increases occurred for the non-European TCNs. The percentage of salary increases within each individual national group did not

show any large gaps between the Chinese, European (non-British) and British. They separately had 57.9%, 55% and 54.4% of their numbers achieve salary increases. The TCNs (non-European) had a much lower percentage: 31.9% of their number earned wage rises.

Nationality		Salary change status			Total
		Increased	Remained	Decreased	
British	Count	196	128	36	360
	% within Nationality	54.40%	35.60%	10.00%	100.00%
	% within Salary change status	39.60%	33.90%	57.10%	38.50%
European (non-British)	Count	66	50	4	120
	% within Nationality	55.00%	41.70%	3.30%	100.00%
	% within Salary change status	13.30%	13.20%	6.30%	12.80%
Chinese	Count	195	123	19	337
	% within Nationality	57.90%	36.50%	5.60%	100.00%
	% within Salary change status	39.40%	32.50%	30.20%	36.00%
TCNs (non-European)	Count	38	77	4	119
	% within Nationality	31.90%	64.70%	3.40%	100.00%
	% within Salary change status	7.70%	20.40%	6.30%	12.70%
Total	Count	495	378	63	936
	% within Nationality	52.90%	40.40%	6.70%	100.00%

Table 59 Salary change status statistics at staff employed in 1905

When looking at the specific numbers within this salary change category, displayed in Table 60, it can be seen that the Europeans experienced the highest increases. Their salaries went up by an average amount of £156.021. This was slightly higher than that of the British who had an average increase of £151.679. On the other hand, British maximum salaries increased to £5025, which was very much more than any other national group. The higher Chinese mean salary compared with that of the TCNs (non-European) is obvious. What is more interesting is the maximum wage increase of the

Chinese employee: at £2687.5, this is more or less double that of any other non-British nationalities. This is evidence of the improving work conditions for the local employees.

Nationality	N	Mean	Maximum	Minimum
British	360	151.679	5025	-750
European (non-British)	120	156.012	1425	-475
Chinese	336	121.823	2687.5	-175
TCNs (non-European)	119	72.645	1266.7	-237.5
Total	935	131.447	5025	-750

Table 60 National salary change statistics. unit: British pound at staff employed in 1905

From the results of above statistics, different nationalities indicate different salary increase potential at different levels, suggesting that nationality affected salary change at different status levels. To statistically confirm the relationship between these factors, the Chi-Square test is applied. Table 61 reveals the results of the Chi-square test between the variables of nationality and salary change condition. The results suggest there was a statistically significant relationship between nationality and salary increase condition (x^2 = 42.922, df = 6, p < .001). Table 62 shows the Chi-square test of nationality and amount of salary increase, suggesting that the relationship between an employee's nationality and the amount of salary change was not significant. This proved a sort of relationship existed between these variables, even though the influence on the salary change amount is not confirmed.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	42.922[a]	6	.000
Likelihood Ratio	42.147	6	.000
Linear-by-Linear Association	0.538	1	0.463
N of Valid Cases	936		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.01.			

Table 61 Chi-Square test result of the relationship between nationality and salary increase at staff employed in 1905

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	757.002[a]	714	0.129
Likelihood Ratio	754.372	714	0.143
Linear-by-Linear Association	4.576	1	0.032
N of Valid Cases	935		
a. 940 cells (98.3%) have expected count less than 5. The minimum expected count is .13.			

Table 62 Chi-Square test result of the relationship between nationality and salary increase amount at staff employed in 1905

In general, from the dynamic view, the statistics do not reflect the same British dominance as previously seen, which suggests there now exists decent opportunities for non-British nationalities to improve their salary conditions and extend length of employment. Based on the Chi-Square tests, we know that nationality did influence the salary change, but did not affect the amount of change. Considering the statistics of the salary change condition, the British and Chinese employees were more likely to achieve salary increases. This reveals a positive potential for improved treatment of the Chinese staff in the Colonial Government after 1905, especially given the Chinese experienced a much higher maximum increase than other nationalities. British employees' privileged position was not very evident in this section, however, given how very prevalent this privilege was from the beginning, it is safe to assume their privilege lasted to the end of the studied period.

5.2.2 Discussion

According to the statistical results, the British HK Colonial Government kept to the ethnocentric staffing approach in 1905, filling nearly all of the major managerial positions with British employees. The great gap in earnings and status between British

and non-British employees suggests that the predominant status of the British in the Colonial Government remained unchallengeable. The European (non-British) staff did benefit from relatively better conditions than other non-British nationals in the Colonial Government, but from the dynamic perspective, Chinese staff surpassed these. In 1885, the Chinese became the biggest ethnic group in the Government, but its significance had begun to grow even before that point. From the statistics studied to this point, we can track the gradually clearer signs that the Chinese are overtaking the non-European TCNs and playing a more significant role in the Government. There might even be something of an opportunity for the Chinese to challenge the non-British European's historically significant position. They have already achieved a higher maximum salary than the Europeans. Such a possibility will be further discussed in later chapters.

5.3 1925

The statistics in this section are based on data from the British HK Blue Book for 1925, while the longitudinal related variables all end in 1932, giving the statistics of this chapter a maximum of 7 years' data coverage.

5.3.1 The Findings

According to the HK Blue Book records, in 1925, there were a total of 7488 employees hired in the Colonial Government (British HK Colonial Government, 1925). Of this total, 1281 of them must be excluded owing to missing information as to nationality, giving us total valid data of 6207. Table 63 shows that, across all nationalities, the host country nationals (the Chinese) occupied 4549 positions, accounting for 73.3% of the total employee population and consequently the majority of the government. This

number was followed by the non-European TCNs (n=726) and then the British (n=628), who, held 11.7% and 10.1% respectively of the total posts. The smallest ethnic group is now the European (non-British) (n = 304), with 4.9% of the staff positions.

Nationality	Frequency	Percent
British	628	10.1
European (non-British)	304	4.9
Chinese	4549	73.3
TCNs (non-European)	726	11.7
Total	6207	100

Table 63 The civil servant nationality statistics (1925)

Position Grade

According to the basic viewpoint of the EPGR model, to confirm what staffing approach was utilised in the Colonial Government it is essential to investigate the distribution of each nationality in the different position grades. By analysing this, a visual of the structure of the national hierarchy will be revealed.

Table 64 breaks down the occupation of each position grade by different nationalities in the British HK Colonial Government in 1925. It is still obvious that the British occupied all the senior managerial positions. Similarly, apart from two managerial positions held by a European (non-British) and a Chinese, the remaining 37 jobs were held by the British as well. So, the British maintained their strong control of the top grade positions in the Colonial Government. On the other hand, what does stand out is the number of Chinese employees in both administrative and manual positions. They held 1185 jobs out of 1722 at the administrative level and 3363 jobs out of 4443 at the manual level. This makes it immediately obvious that the Chinese constituted the

biggest group in the middle and lower levels of the Colonial Government. In the middle

class, the British make up the second biggest staff numbers (n = 382), but behind the

Chinese by a large gap. The European (non-British) and TCNs (non-European) held 86

and 69 posts respectively. As for the manual positions, TCNs (non-European) played

a relatively large part compared to other non-Chinese, with 667 members in that group.

The numbers of European (non-British) and British at this level were very close with

207 and 206 staff respectively.

Nationality	Position grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
British	3	37	382	206	628
European (non-British)	0	1	86	207	304
Chinese	0	1	1185	3363	4549
TCNs (non-European)	0	0	69	667	726
Total	3	39	1722	4443	6207

Table 64 Position grade statistics (1925)

Based on the data in Table 64, the strong control of the British over the Colonial

Government can be confirmed given their retention of the top managerial positions.

Table 65 further unpacks the details of British employee distribution, showing

proportionate representation at all grades. The findings suggest that, at the general

managerial level (including senior managerial and managerial positions), the British

held 95.2% of the total seats. A dramatic proportion drop is evident when assessing

their representation at the administrative level: occupying only 23.9% of the available

jobs in and above the middle class. Their representation is even lower at the manual

grade, with only 10.1% of the jobs. Interestingly, as an ethnic group, more than half of

their members worked at the administrative grade, representing 60.8% of their total

numbers.

British	Position grade				Total
	Senior Managerial	Managerial	Administrative	Manual	
Count	3	37	382	206	628
% within British	0.5%	5.9%	60.8%	32.8%	100.0%
% within Position grade	100.0%	94.9%	22.2%	4.6%	10.1%
Cumulative % within grade	100.0%	95.2%	23.9%	10.1%	10.1%

Table 65 British position percentage statistics (1925)

After discussing the proportionate distribution of the British in all position grades of

the Colonial Government, the research will turn to analysing that of the remaining

nationalities. Table 66 shows the results of the relevant statistics. Not surprisingly, the

table reflects extremely low representation in top grade positions (including senior

managerial and managerial positions) for all the non-British nationals. As to occupancy

rates in administrative positions, Chinese staff show a massive dominance over any

other non-British ethnic groups, taking up 68.8% of the total number. The situation is

similar at the manual grade, with 75.7% of the jobs filled by local Chinese people. Both

European (non-British) and TCNs (non-European) were hired into administrative

positions in small amounts, accounting for 5.34% and 3.66% respectively of the total

numbers at this grade. At the manual labour level, TCNs (non-European) were hired in

greater numbers at this grade than the European (non-British). TCNs took 14.92% of

the manual jobs, whilst the European (non-British) held 4.75%. Looking at the statistics

as a whole, we see that, across all nationalities, the majority of their members stayed at

the manual level. This is especially true for the TCNs (non-European) whose

percentage representation at this level was the highest at 91.32%. At the same time, the Chinese and the European (non-British) groups had 73.93% and 69.41% respectively of their members at the manual level.

Nationality		Position grade				Total
		Senior Managerial	Managerial	Administrative	Manual	
European (non-British)	% within position grade	0.00%	2.56%	5.34%	4.75%	4.90%
	% within nationality	0.00%	0.33%	30.26%	69.41%	100.00%
Chinese	% within position grade	0.00%	2.60%	68.80%	75.70%	73.30%
	% within nationality	0.00%	0.02%	26.05%	73.93%	100.00%
TCN (non-European)	% within position grade	0.00%	0.00%	3.66%	14.92%	11.70%
	% within nationality	0.00%	0.00%	8.68%	91.32%	100.00%

Table 66 Non-British position percentage statistics (1925)

From the above descriptive statistics, certain connections can be seen between the variables of nationality and an employee's position grade. To prove there is a significant relationship between these variables, the Chi-Square test is applied. The hypothesis of this test is that there is no relationship between these two variables. The results can be found in Table 67 where it is shown that the hypothesis is rejected. A statistically significant relationship between the variables of nationality and position grade ($x^2 = 858.616$, df $= 9$, p<.001) is thus proven to exist.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	858.616[a]	9	.000
Likelihood Ratio	697.037	9	.000
Linear-by-Linear Association	676.888	1	.000
N of Valid Cases	6207		
a. 7 cells (43.8%) have expected count less than 5. The minimum expected count is .14.			

Table 67 Chi-Square test result of the relationship between nationality and position grade (1925)

In summary, the position statistics show that most of the top managerial positions were occupied by the parent country nationals, the British. Simultaneously, the host country nationals, the local Chinese, were largely hired into the middle (administrative) and lower class (manual) positions. The Chi-square test proved there to be a definite relationship between nationality and position grade, hence the author is able to draw the conclusion that nationality did make a difference to an employee's position grade.

Salary

This section will discuss the income situation of the employees in all governmental departments in the Colonial Government in 1925. There is missing salary information for some employees thereby excluding these people from the statistics. Therefore the available case numbers for the analysis on salary is 6190. In the original records, salaries in 1925 were paid in two currencies: the HK dollar and the British pound. For convenience of calculation, as well as to make comparisons with the data of past years, I convert the HK dollar unit to British pounds by the rate current in the specific year. According to the relevant historical materials, the Colonial Government fixed the exchange rate between these two currencies as 1 dollar to 4 shillings 2 pence during the period from 1863 to 1935 (Eitel, 1983; Carroll, 2007), which covers the time span

of the research. Hence, it can be easily settled that 1 British pound equalled 4.8 HK dollars at that time. Using this rate, all dollar unit salary records were converted into pounds. Table 68 reflects the average, maximum and minimum salary levels of different nationals in the Colonial Government in 1925.

As is suggested by Table 74, the British received the highest average salaries - about £478 per year. Maximum British salaries also topped those of the other ethnic groups. European (non-British) employees' annual mean salary was £270, demonstrating an obvious income gap when compared to both the British and other non-British nationals. TCNs (non-European) earned an average £88 per year, followed by the Chinese who earned £84 per year, becoming the group with the lowest average annual income. From the perspective of minimum salary levels, the Europeans received the most decent treatment, taking home at least £60 a year. Behind them, minimum salary earnings rates went as follows: the TCNs (non-European) (£38.75/year); the British (£12.5/year); and the Chinese (£5/year). Apart from the British sitting at the highest maximum salary level (£4800/year) for 1925, maximum income levels for the other nationalities did not reflect large gaps. The Chinese and TCNs (non-European) earned a maximum of £1625 per year, while the European (non-British) received about £1417 per year.

Nationality	Mean	N	Minimum	Maximum
British	478.0055	625	12.5	4800
European (non-British)	270.3401	302	60	1416.67
Chinese	84.3445	4540	5	1625
TCNs (non-European)	87.5271	723	38.75	1625
Total	133.5383	6190	5	4800

Table 68 Salary statistics (1) unit: British pound (1925)

Table 69 summarises the proportional representation of each nationality in the total employee population, as well as the salary proportions by the unit of nationality of the total annual salary. The obvious winners here are the British: 10.1% of the total population are taking 36.1% of the total salary pot, reflecting their very high standard income level. The European (non-British) employees contribute 4.9% to staff numbers and earn 9.9% of the total salary pot. So, their income situation was not inconsiderable. To the TCNs (non-European), 11.7% of the workforce in 1925, went 7.7% of the total salary pot. If the ideal would be for earnings to match representation percentage for percentage, then the earning situation of the non-European TCNs was clearly lower than ideal. The Chinese fared similarly. Even though they took home almost half the available salary pot, 46.3%, their general income level was kept low as the Chinese occupied 73.3% of the total government positions.

Nationality	N	% of Total N	Sum	% of Total Sum
British	625	10.1%	298753.43	36.1%
European (non-British)	302	4.9%	81642.70	9.9%
Chinese	4540	73.3%	382923.86	46.3%
TCNs (non-European)	723	11.7%	63282.07	7.7%
Total	6190	100.0%	826602.05	100.0%

Table 69 Salary statistics (2) unit: British pound (1925)

From the perspective of mean salary earnings and salary proportion by nationality, the four nationalities' income levels tracked the following diminishing order: British > European (non-British) > TCNs (non-European) > Chinese. This section will also compare the salaries of different nationalities within the same position. This will avoid the argument that position title played an influencing factor on potential salary but was

ignored by the research. Due to the British maintaining their unchallengeable position from the beginning, there is no need to include them in the following comparison. To obtain a decent amount of salary information on different nationalities in the same position, the research chose the Police Department records as the data source. Another reason for analysing the Police Department is that the Indian nationals in this department formed the biggest component in the TCN ethnic group: 719 out of the 726 non-Europeans were Indian, constituting 99.0% of the TCN population. In the Police Department, high-class inspector positions were occupied by the British and Europeans, which earned them salaries of between £525 and £400. As these high-grade positions do not allow for comparison among nationalities, the statistics focus on the lower grade positions.

Table 70 shows the salary comparisons for the European (non-British), Indian, and Chinese police staff. It is evident that the European (non-British) were paid had higher incomes than other nationals in the same position. Simultaneously, between the other two ethnical groups, Chinese salaries at the Sergeant-Major and Lance-Sergeant levels were fixed squarely in the mid-salary range of the Indian staff, meaning that the Chinese earned higher than some of their Indian counterparts and lower than others. Apart from these two cases, Indian salaries were higher than that of the Chinese, and overall they enjoyed better treatment by the Colonial government than the Chinese employees. The research does show that the salary gap between the European (non-British) and the Indians was much larger than that between the Indian and Chinese. This highlights the relatively superior position within the social hierarchy enjoyed by the European (non-British).

Positions in Police department	European (non-British)	Indian	Chinese
Inspector	/	237.5	150
Sub-Inspector	320-360	/	/
Sergeant-Major	/	137.5-150	125
Sergeant	220-300	77.5-87.5	85
Lance-Sergeant	160-200	66.25-70	67.5
1st Class Constable	/	65	55-62.5
2nd Class Constable	/	57.5	42.5-50

Table 70 Salary statistics in police force. unit: British pound (1925)

Based on the above statistics, the general trend in employee income difference across the various nationalities in 1925 would follow the diminishing order: British > European (non-British) > TCNs (non-European) > Chinese. To confirm that nationality exerted an influence on salary, the Chi-Square test is utilised and its results are shown in Table 71. The hypothesis of the test is that there is no relationship between the variables of nationality and salary. The result suggests that the hypothesis is rejected. There is a statistically significant relationship between the variables (x^2 = 12702.618, df = 942, p<.001). This proved a relation existed between these two variables.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	12702.618a	942	.000
Likelihood Ratio	8362.430	942	.000
Linear-by-Linear Association	1785.481	1	.000
N of Valid Cases	6190		
a. 1060 cells (84.1%) have expected count less than 5. The minimum expected count is .05.			

Table 71 Chi-Square test of nationality and start salary (1925)

The research further uses the linear regression statistic to confirm the relationship between these variables in 1925. In this statistic, the senior managerial British are

considered as the standard comparators. As the results suggested, the equation of salary can be expressed as：

Start Salary = 876.984 – 106.799 (National Code) – 197.578 (Position Grade)

Variables	Coefficient	Sig.
Constant	867.984	.000
Nationality	-106.799	.000
Position grade	-197.578	.000
R-square	0.473	
N of total cases	6190	

Table 72 Regression results for salary (1925)

R^2 = .473, suggesting that the variables of nationality and position grade exerted a 47.3% influence on salary change, revealing that 47.3% of the employees' salaries were identical with the formula's computed results. The negative coefficients of the two independent variables indicate the negative impacts of the nationality and position codes on salary, which matches the results of previous descriptive statistics. On the other hand, it also proves that from the perspective of salary, there was a diminishing order existing in the nationality code, which means that a higher code normally indicates a lower salary.

In summary, after a series of statistical and data comparisons, it is safe to draw the conclusion that nationality did cause salary difference at a certain level in the British Colonial Government of 1925. Across the four ethnic groups, general income levels followed the rule: British > European (non-British) > TCNs (non-European) > Chinese.

Promotion

The analysis on promotion is performed through comparisons of employees' positions in 1925 and their position before they left/retired or before 1932, whichever came first. Due to missing records, some of the employees that were included in previous statistics had to be exempt from this section. Consequently, the valid data records number 2308.

Table 73 shows the promotion statistics of each national group in the Colonial Government. In the 2308 valid employee records, 821 of them experienced promotion, which represents 35.6% of the total staff number. Of all cases, the noteworthy fact to mark is the number of promotions within the Chinese group: 519 out of the total 821 promoted employees were local Chinese, representing 63.2% of the cases. The ethnic group with the next highest promotion statistic is the British, who had 228 promotions, accounted for 27.8% of the total. TCNs (non-European) and European (non-British) had fewer promotions, making up 5.60% and 3.41% of the total. At the same time, according to the valid data, the gaps in promotion prospects across national groups were not that significant. Chinese employees had the biggest potential to be promoted – 37.2% of this group were promoted, closely followed by 36.4% of the British. 32.94% of the European (non-British) staff were promoted, while the TCNs (non-European) had the least probability, given that 22.77% of them experienced promotion.

Nationality	British	European (non-British)	Chinese	TCNs (non-European)	Total
Total	627	85	1394	202	2308
Promotion	228	28	519	46	821
% within Promotion	27.80%	3.41%	63.20%	5.60%	100.00%
% within Nationality	36.40%	32.94%	37.20%	22.77%	35.60%

Table 73 Promotion statistics at staff employed in 1925

Generally, then, the Chinese had the most decent chance of being promoted followed by the British. To confirm whether the factor of nationality affected promotional opportunities, I used a Chi-Square test to obtain a safe conclusion. The test results are shown in the table below. According to Table 74, it is suggested that there is a statistically significant relationship between nationality and promotion (x^2 = 16.542, df = 3, p < 0.01). Thus, based on this result, the statement could be safely made that nationality did make a difference on promotion prospects in the Colonial Government.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.542a	3	0.001
Likelihood Ratio	17.598	3	0.001
Linear-by-Linear Association	2.196	1	0.138
N of Valid Cases	2308		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 26.68.			

Table 74 Chi-Square test result of nationality and promotion at staff employed in 1925

Salary Change

This section will unpack the discussion on employees' salary changes before they left government service or before 1932, subject to which one came earlier. The valid data for this section is 2299 after removing those whose information is missing.

Salary change status is counted by the unit of nationality, with the results shown in Table 75. Based on the available data, 1659 employees, 72.2% of the total staff, had salary increases during the period - a relatively high percentage. The following discussion will focus on the circumstance of salary increase. It is suggested that more than half of the salary increases, more specifically 59.1% (n = 980) of them, occurred for the Chinese. Within their ethnic group, this meant that 72.2% of their member achieved advancement. The British had most of the remaining salary increases, with

28.6% of the increases (n = 475) going to them. At first glance, the gap between the British and Chinese appears to be large, however, as the British numbers achieving salary increases represented 76.1% of their total numbers, the percentages of the two ethnic groups are proportionate. The TCNs (non-European) and the European (non-British) had 147 and 57 employees respectively achieving income rises, which represented 8.9% and 3.4% of the total cases. Within their national groups, the total TCNs (non-European) whose salaries were increased during this time was 72.8% of their total number. It was 67.9% was for the European (non-British). To conclude, looking purely at salary improvement, there was a diminishing order among the nationals such that Chinese > British > TCNs (non-European) > European (non-British). Whilst if considering the salary increase possibilities within the national groups, the diminishing order can be found as British > TCNs (non-European) > Chinese > European (non-British).

Nationality		Salary change status			Total
		Increased	Remained	Decreased	
British	Count	475	119	30	624
	% within Nationality	76.1%	19.1%	4.8%	100.0%
	% within Salary change	28.6%	22.7%	26.1%	27.1%
European (non-British)	Count	57	23	4	84
	% within Nationality	67.9%	27.4%	4.8%	100.0%
	% within Salary change	3.4%	4.4%	3.5%	3.7%
Chinese	Count	980	341	68	1389
	% within Nationality	70.6%	24.6%	4.9%	100.0%
	% within Salary change	59.1%	65.0%	59.1%	60.4%
TCNs (non-European)	Count	147	42	13	202
	% within Nationality	72.8%	20.8%	6.4%	100.0%
	% within Salary change	8.9%	8.0%	11.3%	8.8%
Total	Count	1659	525	115	2299
	% within Nationality	72.2%	22.8%	5.0%	100.0%

Table 75 Salary change status statistics at staff employed in 1925

Table 76 illustrates the salary change amounts per national group. From the mean salary perspective, British employees enjoyed the highest salary increases, seeing average rises of £173.2. During this period, this national group also had the potential to receive the largest increases and decreases: these were £3400 and £1200 respectively. The European (non-British) employees saw average increases of £137.8, followed by the Chinese with a mean increase of £109.4. Compared to all the ethnic groups, the average salary rise of the TCNs (non-European) was the lowest at only around a half of the Chinese mean level, in addition their maximum increase was also the lowest.

Nationality	N	Mean	Minimum	Maximum
British	624	173.1794	-1200	3400
European (non-British)	84	137.7606	-375	1062.5
Chinese	1389	109.4021	-625	2795.83
TCNs (non-European)	202	59.5982	-708.33	802.08
Total	2299	123.3729	-1200	3400

Table 76 National salary change statistics. unit: British pound at staff employed in 1925

To gain a better understanding of the extent of the salary increases of each national group, the statistics further checked the salary increase percentage. According to Table 77, from 1925 to 1932, average Chinese salaries rose by 65.84%, an annual increase of 9.12%. The British staff enjoyed a mean increase of 62.09%, an annual amount of 8.03%. There was little distance between percentage increases for the TCNs (non-European) and European (non-British). Respectively their salaries rose by 46.13% and 40.38%, annual increases of 5.86% and 5.40%. Generally, there was a clear national order of percentage salary increase, which is: Chinese > British > TCNs (non-European) > European (non-British).

Nationality		Salary increase %	Annual Salary increase %
British	N	624	624
	Mean	62.09%	8.03%
European (non-British)	N	84	84
	Mean	40.38%	5.40%
Chinese	N	1389	1389
	Mean	65.84%	9.12%
TCNs (non-European)	N	202	202
	Mean	46.13%	5.86%
Total	N	2299	2299
	Mean	62.16%	8.40%

Table 77 National salary change percentage statistics at staff employed in 1925

From the above results, there appears an assumed relationship between nationality and salary change status, as well as between nationality and salary increase. Hence, the research utilised the Chi-square test to confirm if this is true. The results can be found in the following two tables. Table 78 reveals the Chi-square test on the variables of nationality and salary change status. The result shows that the relationship between nationality and salary increase status is not significant, which is not as expected. Table 79 shows the Chi-square test on nationality and salary increase amount, suggesting that there is a statistically significant relationship between these variables ($x^2 = 3007.048$, $df = 1266$, $p < .001$). The linear regression statistic was applied to figure out the specific relationships amongst salary increase, nationality, and position grade.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.788[a]	6	0.134
Likelihood Ratio	9.859	6	0.131
Linear-by-Linear Association	3.541	1	0.061
N of Valid Cases	2299		
a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.20.			

Table 78 Chi-Square test result of the relationship between nationality and salary increase status at staff employed in 1925

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3007.048[a]	1266	.000
Likelihood Ratio	2502.686	1266	.000
Linear-by-Linear Association	46.911	1	.000
N of Valid Cases	2299		
a. 1617 cells (95.6%) have expected count less than 5. The minimum expected count is .04.			

Table 79 Chi-Square test result of the relationship between nationality and salary increase at staff employed in 1925

The regression statistic's results can be found in Table 80 and show that the equation of salary increase in the colonial government could be written as:

Salary increase amount = 389.096 – 96.589 (national code) – 27.705 (position grade)

Variables	Coefficient	Sig.
Constant	389.096	.000
Nationality	-96.589	.000
Position grade	-27.704	.014
R-square		0.063
N of total cases		2299

Table 80 Regression results for salary increase at staff employed in 1925

R^2 = .063, which proves that nationality and position grade influenced 6.3% of the salary changes. This shows that the equation is not significant, matching with the staffing practices in the Colonial Government. However, the coefficient of two variables is negative, which suggests that the higher the nationality and position code, the lower the salary increase, proving that from the perspective of salary increase amount there is a diminishing order as follows: British > European (non-British) >

Chinese > TCNs (non-European). Additionally, it also suggests that higher grade positions potentially experienced higher salary increases in the Colonial Government.

5.3.2 Staffing approach of British HK Colonial Government in 1925

As borne out by the statistics, the most noticeable staffing phenomenon of the British HK Colonial Government in 1925 is its focus on engaging British staff into all its managerial posts. All the senior managerial positions and the overwhelming majority of the normal managerial positions were filled by the British. This translated to the British employees enjoying the most preferential treatment, receiving the highest earnings across all the different nationalities. There were decent advancement chances for them as well Even if the statistics on promotion do not suggest an advantage for British regarding promotion number, the proportion of promoted British nationals within their own ethnic group matches closely with that of the Chinese and was higher than that of the European (non-British) and the TCNs (non-European). Considering that they already occupied the highest positions in general, this was impressive privilege. Their national advantage was especially evident in the salary increases: even their average salary were twice that of the European's (non-British) mean salary, the second highest behind the British. The latter earned the highest average salary increases by a safe lead.

The Chinese, as the locals, enjoyed a certain amount of advantage in the Colonial Government. Whilst their treatment conditions were not outstanding, they did represent the main source of the workforce and thus they benefited from their cost advantage. The longitudinal data also show that the Chinese were afforded great opportunities for improvement of their circumstances after 1925. This trend matches what was suggested

in the EPGR model (Perlmutter, 1969; Kelly, 2001): alongside the development of the subsidiary in the local environment, its knowledge and experience of dealing with local affairs grows, as well as its confidence in its management, followed by a growing trust towards the HCNs. This accordingly reduces their reliance on the PCNs and the lower costs and recruitment difficulties of hiring local labour begin to stand out as attractive elements. This prompts growing hires of and a growing importance attaching to the local people.

Looking at the researched features of the recruitment practices in the year of 1925, the British employees occupied the leading position in the Colonial Government. As an ethnic group, they were small in size, but held the highest status and enjoyed the best treatment. They controlled the decision-making roles, which resulted in the other nationalities (especially the HCNs - Chinese) remaining in the position of being ruled. Based on these phenomena, it can be confidently stated that the staffing approach of the British HK Colonial Government in 1925 displayed the typical characteristics of the ethnocentric method.

5.4 Conclusion

This section covered the statistics and the discussions of the staffing practice of the British HK Colonial Government between 1905 and 1932. These were analysed from the perspectives of position grade, salary, promotion, and salary increase. From both the static and dynamic views, the research confirmed the British as holding the leading and preeminent position in the Colonial Government. The Chinese, having the advantage of being local, formed the majority workforce of the middle and lower grade

positions, and thus of the government as a whole. In summary, the research proved that the Colonial Government utilised the ethnocentric approach during this period. However, the dynamic improvement in the circumstances of the Chinese is worth noting, reflecting the possibility of this group's further advancement in status in future times.

Chapter 6 Dynamic Analysis 1845 – 1932

6.1 Introduction

In this chapter, analysis of the data statistics of the staffing practices of the British HK Colonial Government between 1845 and 1932 will be conducted. In the previous chapters, the research unpacked data statistics for every 20 year period, aiming to demonstrate the staffing characteristics in different stages. This chapter will integrate the fragmentary results into a complete and cohesive picture of the dynamic development process, to obtain a longitudinal view of the findings based on the whole period of time.

First of all, the discussion will start with the general transformations experienced by the HK Colonial Government during the selected period, including changes in the total employee population and the proportions of the different nationalities represented in the organisation. When considering the different nationalities, it is always essential to look at how the treatment of each ethnic group, and thus their circumstances and prospects, develop. Following this, the research will turn to focusing on position grades within the Government and unpacking relevant topics around these. For example, the discussion will cover the changes in employee type within different position grades and within different government departments. In particular, it will focus on the hiring situation of the local Chinese in different circumstances. The last part mainly summarises the discussion into a final wrap-up, drawing conclusions as to how the staffing approach developed in the Colonial Government from 1845 to 1932. At the same time, it is interesting to look at national hierarchy changes between the different

periods and the deep meanings behind these changes. The whole discussion will end with inferring the direction of future developments in staffing approach through the relevant theories of the EPGR model.

6.2 Employee Type

The discussion in this chapter focuses separately on each of the four ethnic groups. Before looking at the details of each group, I will summarise the growth and development of the general government employee population during the research period. Then, the situation of each group will be individually analysed, in particular their status as regards position in and treatment by the Government. Eventually, this chapter will consider the changes in the national diversity of the employees, exploring any changes in recruitment choices alongside the growth and development of the Colonial Government itself.

### 6.2.1 Government Growth in Terms of Employee Number

The HK Blue Book, as the official annual governmental report, starts its records from 1845, which is also the starting point of the quantitative statistics for this research. Table 81 reflects the statistics regarding Government employee numbers in different years. For the convenience of comparison with the later years, the author additionally did a count for the year of 1845. What is easily identifiable is that, from the statistical results of the early years, total employee numbers in the Colonial Government experienced a gradual increase through the years. During the 80-year period of 1845 – 1925, the valid data suggests that the recruited employee numbers rose from 311 to 6207, meaning that the employee numbers in 1925 were about 20 times that of 1845.

And although worker numbers in 1865 did drop, the drop was not significant. The figures show that the Colonial Government experienced substantial growth in its workforce in its very early stages. Figure 5 will offer a more visual picture of the extent and process of this increase.

Year	Employee number
1845	311
1845-1850	886
1865	881
1885	1180
1905	2133
1925	6207

Table 81 British HK Colonial Government employee number statistics

The line chart in Figure 5 shows that staff numbers in the HK Colonial Government saw a constant progressive increase during the whole research period. We know from Table 81 that a remarkable 200% employee number increase happened in the first 20 years and evidently the rising trend remained positive, but moderate, in the following 20 years. However, from 1885 to the end of the research period there was an obvious upswing that staff numbers rose with increasing speed. This was particularly true in the last 20 years, when numbers again jumped about two times to a base of 2133. This represents the largest government workforce since its establishment. From these changes, it can be confidently stated that the government was in a constant state of growth and scale expansion during the whole research period.
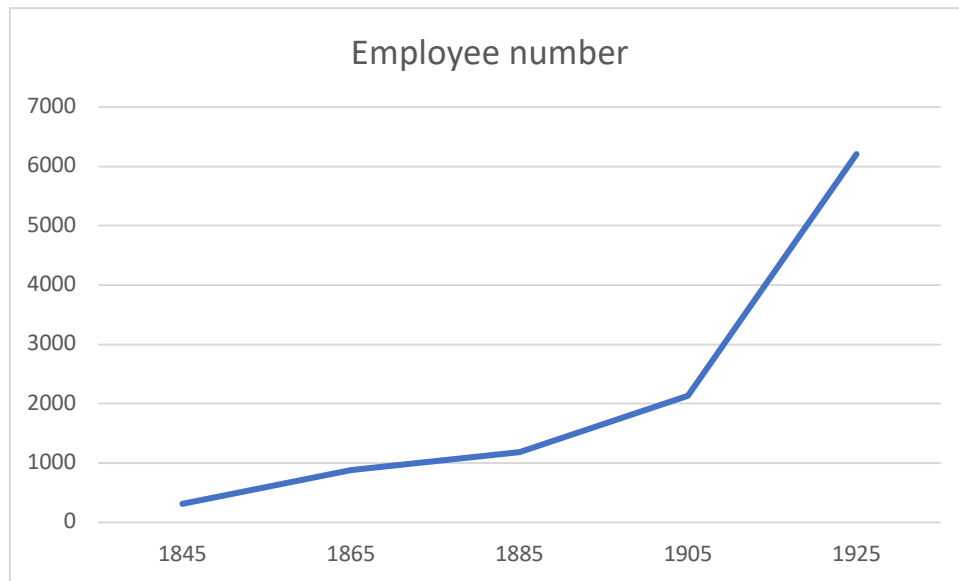
Employee number

Figure 5 British HK Colonial Government employee number increase

The British HK Colonial Government functioned as a subordinate unit of the home government. Considering the British colony's expansion activities as the process of an MNE's internationalisation, the HK Colonial Government can be viewed as a subsidiary newly established in the foreign market. In the research, the first two decades are seen as the very initial stage of its establishment. In these years the Government's recruitment goal is to ensure that suitable employees are hired into its various departments in order to make sure the organisation starts to perform. Once the Government is capable of exerting colonial control in the local environment, its new task is the development of the HK colony to ensure it grows too. This in turn causes the Government to continue expanding its organisational scale in order to support the colony's development. Similar to average multinational companies, the early stages are challenging as the enterprise faces difficulties that come from both inside and outside of the organisation. In this specific case, the HK Colonial Government was built in a unique historical and social environment that included an extreme relationship between the host country (China) and the home country (Britain), a highly unfavourable environment for British employees and an extremely restricted local labour force, as

well as the gap between Chinese and British cultural and linguistic understanding (Chai, Cheung and Kwong, 2016). These all facilitated limited employee recruitment and expansion in the HK Colonial Government during its early stage.

On the other hand, as is suggested by the internationalisation literature, from the perspective of HRM, MNEs normally face the problem of increased cost in their early internationalisation stage, owing to reliance and investment on new employees or/and foreign employees (Glaum and Oesterle, 2007; Johnson and Turner, 2010). Assuming the financial investment entry amount is fixed, the increased cost will very possibly affect the enterprise in terms of limits on scale. In fact, the HK Colonial Government lived beyond its income for a long time at the beginning, and the home government had to budget support to maintain its performance, which did not meet the home government's general policy that overseas colonies should at least achieve self-sufficiency (Endacott, 1962). At the same time, under pressure from the home government, the HK Colonial Government put great effort into changing its financial situation and, as recorded in 1855, except for military expenditure, the Colonial Government for the first time achieved self-sufficiency (Endacott, 1962). This can be seen as a sign that the financial situation of the Colonial Government was eased and, from then on, there was spare money for staff expansion according to its needs. The recruiting goals of the Colonial Government in its latter stages were not only to maintain performance, but also to prepare strategically for the long run – to seek and cultivate talents who could properly serve the Government and, what is more, work for other foreign colonies in the future. Supported by the enhanced economic conditions, employee numbers experienced a speedy increase in the last 40 years of the research period, along with an improvement in department function, reflecting the

organisation's growth towards maturity. As to the specifics on departments or type of employee developments, these will be discussed individually in subsequent sections.

6.2.2 Staffing Practice Among National Groups

It has been established from the abovementioned discussion, the British HK Colonial Government was in a constant state of growth during the research period, proven by the huge increase in employee numbers. Numbers in 1925 were nearly 20 times those in 1845. Now the research will go further to explore the changes that each ethnic group underwent during the development of the Colonial Government. To be more specific, this section will focus separately on each nationality to assess whether each of their populations experienced increases, as well as to divine what trend was reflected for each of them in terms of proportionate representation. Apart from employee numbers, was there any change in the treatment of their specific ethnic group? The section will begin with a discussion of each nationality's employee population size and percentage change. Continuing with the previous method of categorising the nationalities, the discussion will individually be focused on the British who were from the parent country, the European (non-British), the local Chinese, and the other TCNs (non-European).

Figure 6 contains two line charts that separately display statistics on the changing size of the British employee population in the Colonial Government every 20 years, as well as the changing proportions of British staff over the total employee population. As can be easily seen, British staff numbers maintained a constant, speedy rise from the beginning to the end. In the first two decades, the British numbers increased, but was relatively stable in general. In the following decades, however, the British population had almost doubled by the end of each 20 year period checked in the research. As to

the proportionate representation of the British in the Colonial Government, this appeared to follow a downward trend in general, in spite of an apparent reversal in the middle period. In the early stages of the Government's establishment, British employees accounted for about one-fifth of the total population, but there was a dramatic drop of 10.5% during the following 20 years. Percentage figures experienced a slow rise in the subsequent 40 years, but never reached the same levels as in the beginning. Eventually another plunge occurred in the last research period with the British population resting at 10.1% of the total staff population; the lowest since the beginning.
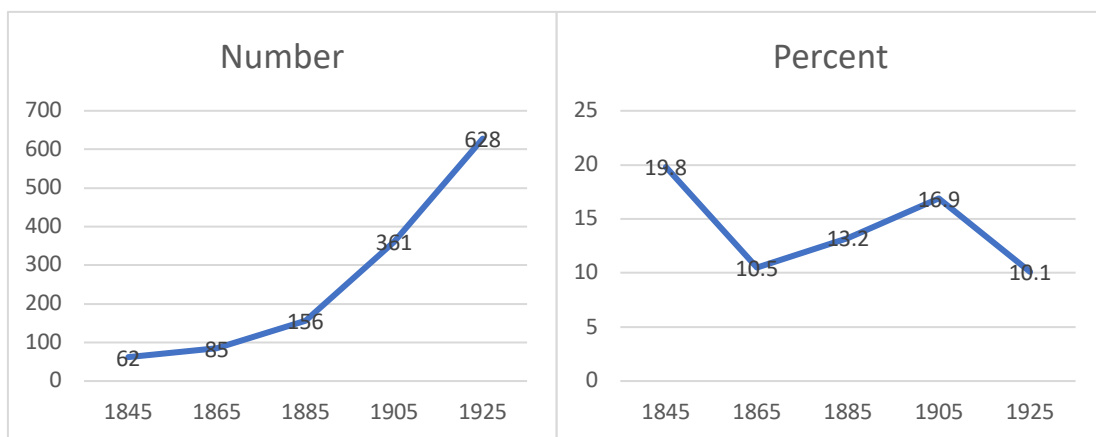
Figure 6 British employee population by year

Taking the abovementioned statistics together, in the context that the total number of Government employees increased, the gradual rise of the British staff numbers is a match. However, its dominant standing in percentage representation appears to decrease over time, which in itself is noteworthy. In a certain sense, this may suggest that gradually the British employee ceased to be the first choice for filling certain positions in the Colonial Government, in spite of whatever subjective thinking may have come from the home government. So, as the Colonial Government grew in size and independence, the priority to staff with 'people from home' gradually declined.

Figure 7 plots the European (non-British) employee numbers and proportion statistics in 20 year points. Broadly speaking, their population numbers saw a steady increase, rising from 88 employees in 1845 to 304 in 1925. However, the statistics show an opposite trend in their proportional representation across the total government population. In the beginning, 28.1% of the employees in the Colonial Government were European (non-British) and they accounted for more than a quarter of the total numbers, which is a decent size. In the next 20 years, even though the actual employee numbers increased, this percentage showed a sharp downturn, with 15% left in 1865. The percentage level stayed nearly the same in the following period, with an increase of 0.1%, followed by a slight drop of 3% between 1885 and 1905. This percentage had another big cut in the last two decades of the research period to finish with only 4.9% of the available government positions being held by them; the lowest since the beginning.
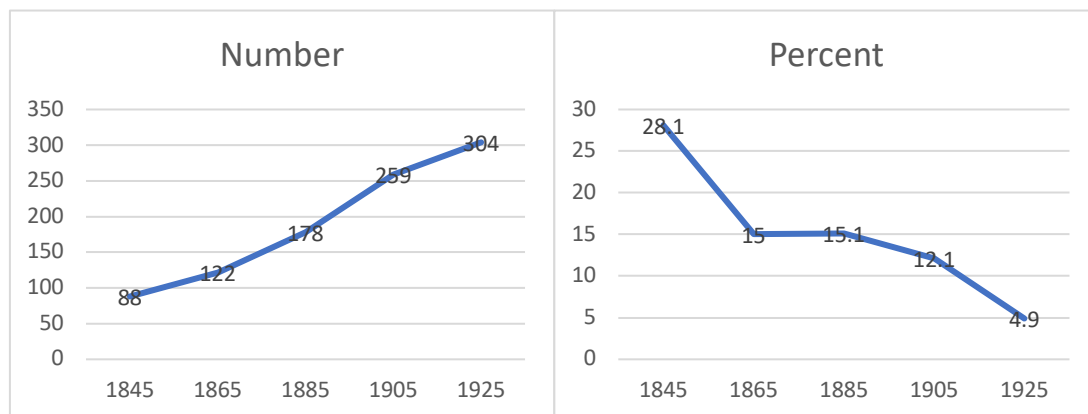

Figure 7 European (non-British) employee population by year

Comparison of these data suggests that the number of European (non-British) staff grew smoothly alongside the Government's expansion. However, the speed of this group's growth was much slower than that of the general Government employee growth. When the Government was set up, the European (non-British) played an

important role and were hired to fill a great number of positions in the organisation. To a certain degree, whilst the number of Europeans (non-British) recruited enlarged quickly along with the growth of the government, the organisation simultaneously reduced its reliance on them as a staffing resource. This is reflected in the data, as the European (non-British) employee percentage drops greatly for the first time after the first 20 years, with a second big drop happening in the 20th century between 1905 and 1925. This is when the Colonial Government entered into the middle stages of maturity.

As the home country nationals, the local Chinese should in theory have had an advantage in numbers within the Colonial Government. In reality, this was not the case during the first phase. The changes in Chinese employee numbers and proportional representation are revealed in Figure 8. In spite of their small starting size at the initial establishment of the government, the local populace experienced a huge increase in recruitment from 66 to 4549 over the research period. From the left-hand line chart in Figure 8, it can be seen that the population of the Chinese employees steadily increased in the first several 20-year periods until dramatic growth occurred in the last 20 years. In fact, looking at the specific recruitment numbers, it is not hard to deduce that Chinese labour increase remained at a decent level even in the later 19th century. In particular, from 1865 to 1885, the Chinese population increased from 165 to 644, a tripling of its 1865 figure. What is particularly worth noting is the change in the last 20-year period, when the numbers of local labour hires increased from 997 to 4549, a growth rate that none of the other nationalities can match.
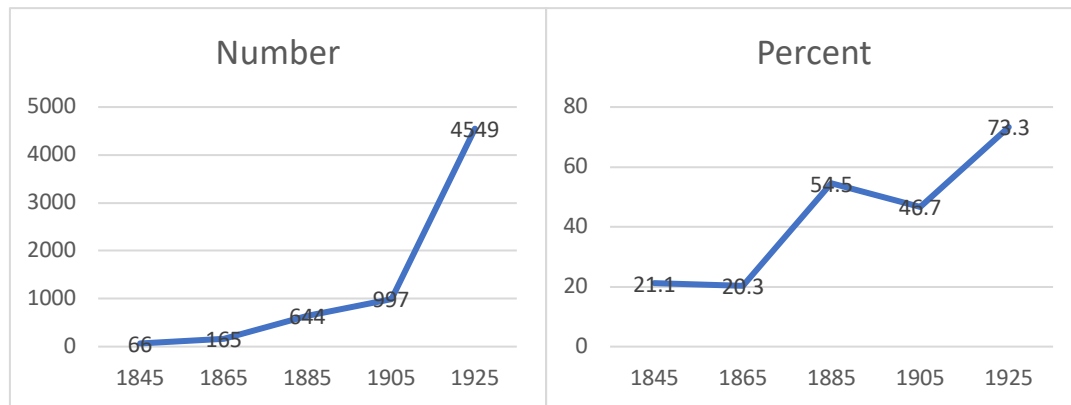
Figure 8 Chinese employee population by year

The right hand chart of Figure 8 tracks the percentages of Chinese nationals as a proportion of total staff numbers over the research period. Evidently, regardless of some slight waves, the Chinese employee population shows a significant rising trend, growing from 21.1%, one-fifth of the total population, in 1845 to 73.3% in 1925, the largest percentage representation of any nationality since the government's inception. It is plain to see that the Chinese, as an ethnic group, did not have a prominent advantage in the initial phase compared with the other national groups. This is borne out from the slight percentage drop in the first 20 years, when the actual employee numbers had a small increase. In the following 20 years, there is a significant rise in the Chinese staff percentage, resulting in more than half of the governmental positions being filled by Chinese staff. After a tiny downswing, the Chinese employees finish by occupying nearly three-quarters of the total seats in the Colonial Government by the end of the research period.

It is apparent that the Chinese were not important to the Government during its early stages. Whilst general government staff numbers rapidly expanded, Chinese employee number growth was slower, causing the percentage of Chinese in the organisation to even decrease at one point. The advantages to being the local labour force started to

manifest post 1865, after which the Chinese gradually developed into being the majority constituents of the institution. This process naturally entailed Chinese employees overtaking other nationalities in the organisation as the hiring choices for most posts. Making assumptions from the data, this process could be due to larger amounts of local labour being required as the Government expanded its functions. It may also partially be due to Chinese locals being hired to replace other nationalities based on performance. Whatever the reason, the transformation strongly demonstrates that this ethnic group played an increasingly significant role in the Government, which, to a certain extent, implies that the attitude of the Colonial Government toward the local Chinese may have experienced changes during its years in operation. Recruiting a large number of Chinese employees brought about changes to the national structure of the Colonial Government. It would be interesting to explore what kind of relationship existed between these changes and the performance of the organisation, as well as the policy setting and practice of the HK Colonial Government. The relevant discussions will be covered in later chapters.

As to the TCNs (non-European), the overall changing trend for this ethnic group was similar to that of the British and European (non-British). Figure 9 illustrates that their employee population did experience growth, although the population proportions show a decreasing trend. What distinguishes this group from other nationalities is that the population percentages had a tortuous decline. The TCN (non-European) group was also the only one in the Colonial Government that experienced a population decline in a certain period. In 1845, the TCNs (non-European) held 97 positions in the Government. This number jumped up rapidly to 439 at the end of the first 20 years, but surprisingly, a dramatic drop happened in the subsequent 20 years, and more than half

of the TCNs (non-European) quit the Government, leaving only 202 employees. The population gradually rose again, eventually reaching its maximum number, 726, in 1925. Looking at the percentage changes, it shows that the TCNs (non-European) accounted for 31% of the total Government employee population in 1845; a large-sized group. In the following 20-year period it reached its zenith, occupying more than half the available positions: specifically accounting for 54.1% of the total employee population and thus forming the majority ethnic group in the Government in 1865. Their proportional representation went down from then on, suddenly dropping to 17.1% in 1885 and, after a gentle pick-up, finally declining to 11.7%. The latter was their lowest percentage level since the Colonial Government was established.
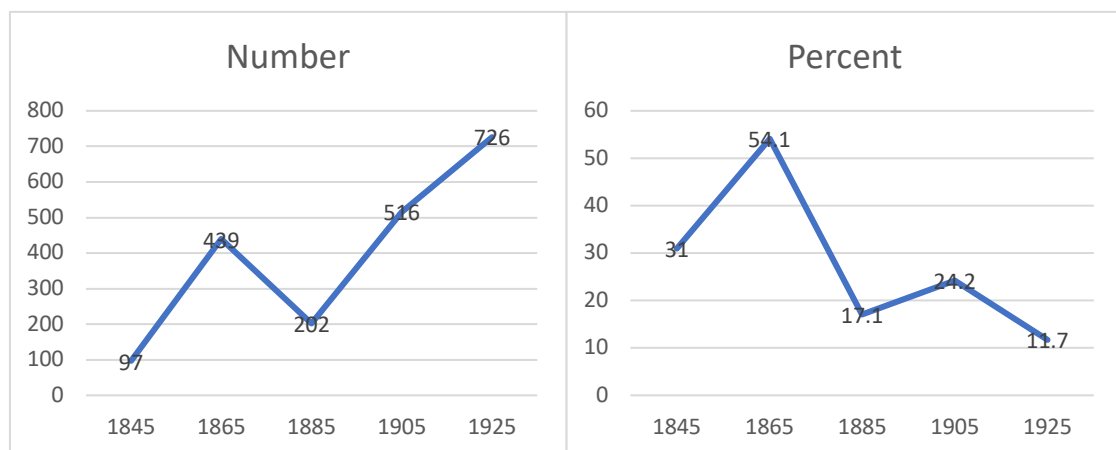
Figure 9 TCN (non-European) employee population by year

Overall, whilst their population numbers do grow overall, the trend is the opposite when you consider the percentages. The data suggests that the HK Colonial Government relied relatively highly on the TCNs (non-European) when the Government was first organised, and this reliance even increased in the first 20 years. As the organisation grew and gained experience of the local environment, the TCNs (non-European) show a lower representation, meaning that although their actual numbers grew larger, their rate of growth was slower than the total expansion of

government employees. It is worth paying more attention to the instance when the TCNs' (non-European) population decreased while all other nationalities were experiencing constant growth. The decrease did not last long, occurring in the period between 1865 and 1885. Interestingly, following the big drop in numbers, the percentages of TCNs (non-European) holding posts started to decline as well, meaning they not only lost dominance in number size, but also ended with very low representational proportions. So, could there have been a potential policy adjustment between 1865 and 1885 meaning that the Colonial Government changed its attitude towards the Indians (the ethnic majority within the non-European TCNs)? Could this potential policy change have caused further-reaching changes in other areas as well? The research will put effort into finding the answers in later chapters.

Having separately catalogued the longitudinal changes in each nationality's population and proportional representation in the HK Colonial Government, Figure 10 now offers a visual comparison of these changes by unifying the separate percentage tracking lines each population into one chart. Generally speaking, the changes in the British and European (non-British) employee population percentages through time were relatively moderate – both of these groups experienced proportion decline. The drop in the European (non-British) was greater than the British; they went from being the second biggest to the smallest ethnic group by population size. Although the British grew to being the second smallest group from starting as the smallest group after certain fluctuations, their percentage representation eventually saw a drop as well. It is easily evident that the TCNs (non-European) and Chinese were the nationalities that experienced significant changes. The TCNs (non-European) began as the largest national group in the Colonial Government when it was established and had a

prominent rise in representation the early phase. In 1865, when the other national groups maintained their levels without huge gaps, the TCNs (non-European) was the only group which stood out, taking the dominant number advantage by occupying more than half of the government positions. After this, the statistics suggest that in 1885, their proportional representation was close to those of the British and the European (non-British) following its rapid decrease. By contrast, local Chinese became the predominant hires into the Colonial Government, becoming the largest ethnic group in the organisation by filling more than half of the total posts. From that point, the HK Colonial Government basically shaped its employee structure around the local Chinese as the main labour force. Until, in 1925, 73.3% of the government's employee population were Chinese and the British, European (non-British), TCNs (non-European) jointly constituted the rest of the governmental positions.
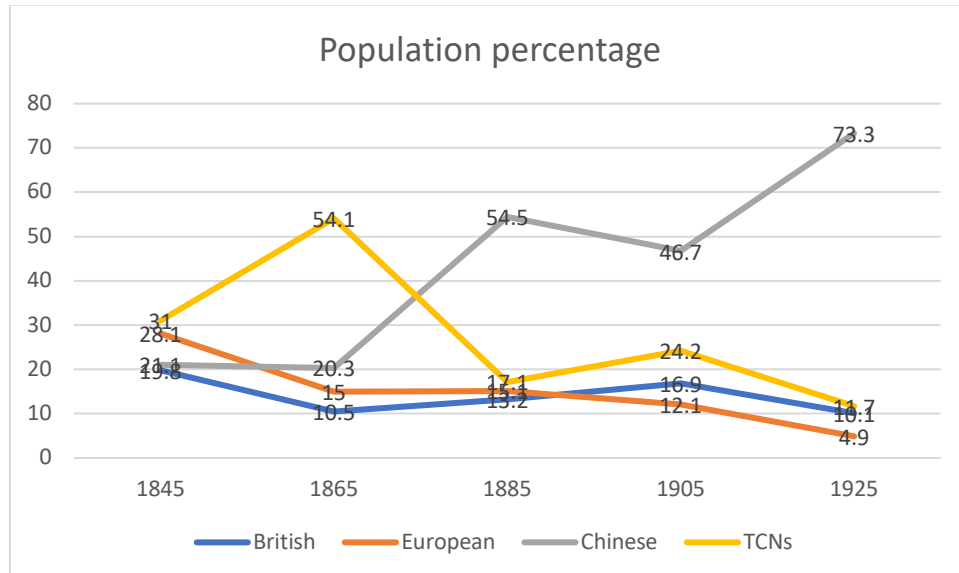

Figure 10 Employee population percentage comparisons

In summary, there are some characteristics that stand out when analysing the Colonial Government's recruiting practice. First of all, the TCNs (non-European) began as the national group with the biggest employee population in the Government, occupying

more than 50% of the available positions at the end of the first two decades. From 1865 to 1885, Chinese employees overtook all other nationalities in population size, replacing the TCNs (non-European) to become the largest ethnic group. Its employee number advantage was still growing by the end of the research period. The staff population percentages of the British and the European (non-British) did not reflect dramatic changes throughout the research period. Whilst a declining tendency could be found in both national groups' employee percentage changes, a bigger total proportion drop could be found in the case of the European (non-British) during the whole period.

From the research to date, it is possible to summarise a basic development trend in the recruitment practices of the HK Colonial Government. When the organisation was first established, it showed an evident reliance on the European (non-British) and the TCNs (non-European), who are both essentially TCNs to the Colonial Government. On the other hand, the Chinese and British, who respectively are HCNs and PCNs, did not make up a large percentage of the total governmental employees. As the Colonial Government grew and developed, it gained experience of operating in the local environment and the implementation of governmental functions increasingly deepened the transformation of local society. This in fact created the positive conditions and foundation to build and reinforce the connection between the British and local Chinese, facilitating a transformation in the serious estrangement that had occurred in the very early stages. With some relief from the tensions. a certain level of trust started to be built between the two sides to the extent that the Colonial Government increasingly relied on the local labour force, achieving its management and routine functions by hiring a growing number of Chinese employees.

The above trend is identical to the EPGR model's theoretical exploration of recruitment policy transformation as an MNE develops (Perlmutter, 1969; Kelly, 2001). As the dynamic is described in the EPRG model, staffing orientation is meant to change over time (Perlmutter, 1969) As the firm cements its establishment in the new environment, recruitment orientation will inevitably change as well (Kelly, 2001). It is explained that, in the beginning, MNEs choose to play conservatively by staffing the top managerial team with PCNs, which means they expatriate staff from their headquarters. Newborn MNEs will benefit from this method because it offers firms a way to transfer their company cultures and management to subsidiaries abroad to ensure they go in the expected direction (ethnocentric approach). With practices developing further, MNEs gain a certain knowledge and experience of operations in the local environment, thus obtaining the confidence to adopt a large number of HCNs into middle-class positions, therefore helping multinationals to reduce the cost and massive work of expatriation. This method is known as the polycentric staffing approach. Clearly, the process is very similar to the recruiting preferences so recently tracked in the Colonial Government that broadly increased utilisation of local Chinese staff as the Government moved into its more mature phases. After the first two decades, Chinese employees benefitted from being local and their numbers overtook other nationalities in the organisation, turning them into the main labour source for the governmental. It should be noted here, however, that this is not sufficient to prove that the government transferred its staffing approach from ethnocentric to polycentric, because this transformation would depend on structure changes to nationalities in the top managerial team. The previous statistics confirm that British staff kept hold of the managerial jobs in the government, which means that even though the Chinese played an ever more significant role in the Colonial Government, the staffing policy did not alter from the time it was established.

According to the EPRG model, an important reason for an MNE moving away from ethnocentric recruitment towards the polycentric approach is cost. It is obvious that, apart from the elements of culture, trust, ability etc., low cost is a significant advantage of HCNs. Thus, it is worth taking a look at the salary changes of the different nationalities in the Colonial Government over time. Figure 11 represents the average salary changes of the various national groups within the Government during the research period. It is remarkable that the British mean salary line stays high, far away from any other lines, and has no crossover points with them. This strongly suggests that average income of the British employees remained solidly at a much higher level than other nationals. Comparing the British mean salary in 1925 with that in 1845, after a downswing and slight recovery a general decline is evident. The mean level dropped greatly during the first 40 years, followed by a slow pick-up in the following 40 years, but never returned to the original standard. The average income gap between British employees and other nationals is largest in 1845. The extremely high income in this period affected the total average levels, which stayed much higher than any other ethnic group. For example, the total average British salary was 2.7 times higher than the second highest mean income earned by the Europeans (non-British); thus underlining that British employees were consistently preferentially treated by the Colonial Government.
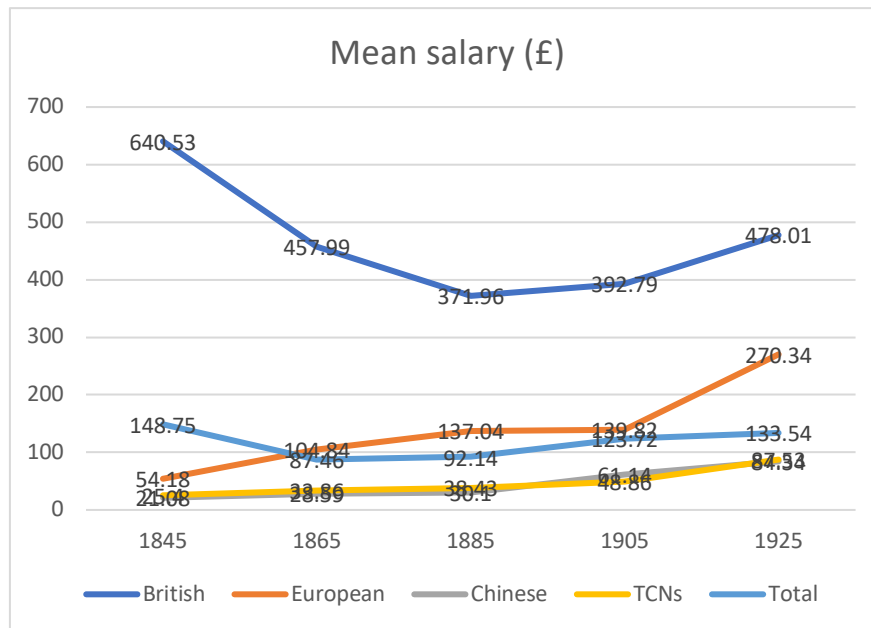
Figure 11 National mean salary by year

As for the non-British nationalities, their average salaries were more or less in constant increase without exception. In particular, the European (non-British) enjoyed the largest increase from £54.18 in 1845, much lower than the total average level, to £270.34 in 1925, which was as much as twice the total average salary, as well as more than three times the mean income of the Chinese and TCNs (non-European) at that time. The salary lines of the Chinese and TCNs (non-European) are nearly coincident, suggesting the income gap between these two national groups was not distinct. Based on the statistics, it was only in 1905 that the average salary of Chinese employees was higher than that of TCNs (non-European) by a relatively marked gap; in other years the TCNs consistently earned a slightly higher income. Additionally, both Chinese and TCN (non-European) average incomes were distinctly below the total average level, although the gaps did tend to get smaller with time. Hence, it can be surmised that the gap between the high-income and low-income groups within the Colonial Government did shrink. It emerges, however, that the European (non-British) were the only ethnic group to defy the earnings trend. We can observe that the distance between the British

and European (non-British) mean incomes narrowed rapidly, whilst the distance between the European (non-British) and other non-British mean incomes enlarged over time. So, whilst all the other national groups were maintaining either a gradual rise (TCNs and Chinese), or a gradual decline (British), in fact the Europeans (non-British) experienced a sharper increase that kept growing.

At a certain point in the growth of the Colonial Government it cut down its reliance on the British (PCNs), which is a partial explanation for their drop in earnings. At the same time, regardless of whether it happened with intent or as a result of objective factors, or both, the Government optimised the European (non-British) employees' income conditions. From another angle, this could be seen as the hiring costs of the Europeans (non-British) dramatically going up. Utilising Figure 11, it may be possible to identify whether there is a relevant link between salary levels and recruiting numbers of different nationalities. We can see that, in spite of remaining consistently above that of the other national groups, the average British salary did decline. The very high recruiting cost was very possibly one of the important reasons that British employee numbers remained lower than other nationalities throughout. On the other hand, average European (non-British) salaries increased rapidly and by significant amounts, suggesting that their increased cost led to more difficulty in filling government positions with this ethnic group on a large scale. Figure 11 also reveals that the Europeans (non-British) began as the second biggest national group in the Government, but eventually became the smallest, representing only 4.9% of the government workforce. By contrast, for the majority of the time, mean income levels for the Chinese employees remained the lowest out of all the nationalities, so with their small scale of salary increase and the benefits of their being the local labour force, it was

practical to hire this group in large numbers. These could all be valid explanations for the increase in significance of the Chinese to the Colonial Government as it grew. As for the TCNs (non-European), the cost of hiring them was very similar to that of local labour. We know that most of them were Indians, which made it convenient to hire and transport them from their home to HK. Accordingly, it can be seen that apart from the locals, TCNs (non-European) invariably had a greater population in the Colonial Government.

It is interesting to note, then, that most of the time average Chinese salaries were slightly lower than those of the TCNs (non-European), with the only exception being 1905 when the Chinese average was £61.14 versus £48.86 for the TCNs. Potentially, this could explain why the proportion of Chinese employees in the organisation displayed a temporary drop in 1905 during its overall increasing trend since 1865. The opposite happened for the TCNs (non-European), who saw a temporary population percentage jump in 1905 in the midst of their general decrease after 1865. As a result, we can speculate that, apart from the potential effects of social environment and historical events, the fluctuations in the Chinese and TCN (non-European) population proportions between 1885 and 1905 were very possibly due to the average Chinese salary jumping to higher than that of the TCNs (non-European).

Overall, by integrating Figures 10 and 11, it becomes clear that there could be a certain negative correlation between recruitment costs and employee population numbers during the period researched of the HK Colonial Government's history.

6.3 Diversification of the Employee Nationality

Along with the growth in employee numbers in the HK Colonial Government, another outstanding feature can be seen: that the diversity of employee nationality increased during the 80 years of operation, details of which are reflected in Figure 12. Before unpacking the discussion, it is worth mentioning again that one of the methods this research used to obtain information on employee nationality is inferring national source from surname. However, owing to the influences of cross-border population mobility, cross-culture effects, historical reasons etc., residents from several countries shared many surnames. Additionally, in some colonial areas, people tend to rename themselves according to the mainstream culture. Hence, in some cases, the employee's surname can only be assumed to come from a certain region, rather than a specific country. This does not affect previous statistical results as, apart from the Chinese and British, the other national categorisations are European (non-British) and TCNs (non-British), which are based on regions. For the purposes of this discussion, I will maintain the regional categorisation, in case pushing it to a more specific national area may cause the results to lack accuracy and reliability. Hence, it is important to point out that in the following discussion, employee nationalities are restricted to the knowable minimum geographical range.
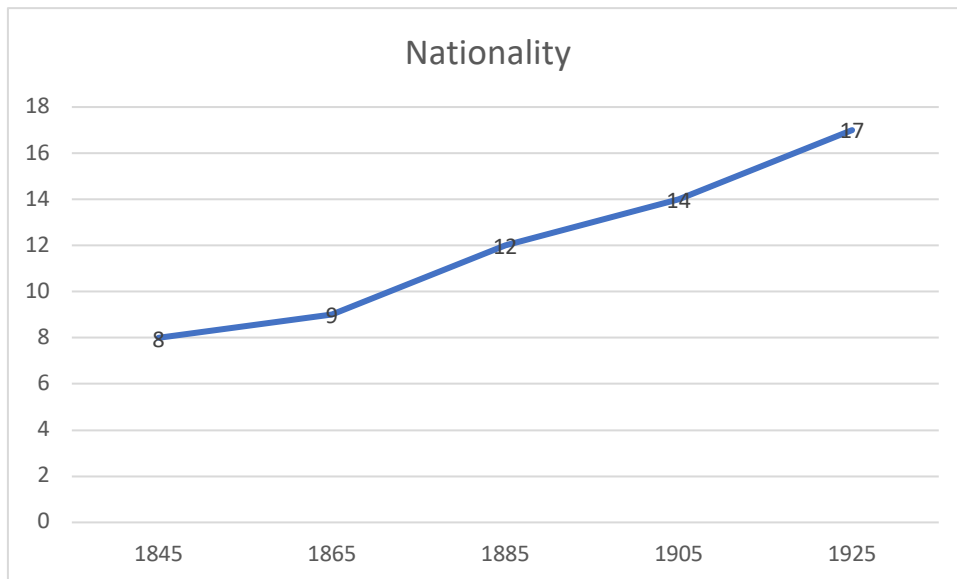
Figure 12 Nationality number statistic by year

When the Colonial Government was established, its employee scale was small. In fact, the organisation gravely suffered from shortages of available labour. Over the whole Government, including the adjacent functional sectors such as labour attached to the Harbour, a total of 342 employees from different nations were hired. Many departments were newy created, facing difficulties in functioning smoothly. According to the records, the new hires were often reported as not being professionally capable of fulfilling their position's needs. Out of the total 342 staff records, 311 of them offered enough clues to assume their nationalities.

Because of limited cross-border population travel, the available worker pool for the Colonial Government in its initial stage had a simple composition and, for the most part, the records offer enough reliable information to pinpoint their nations of origin. In 1845, the employees can be assumed to have come mainly from eight countries. Apart from the Chinese and British, the non-British employees came from Portugal, France, Germany, and Italy; while the non-European TCNs were mainly Indian, and a small number of Philippines. As the organisation grew, the source of employees

experienced a rapidly increasing process of diversification. By 1925, the conjecturable employee source origins covered 17 countries and regions – apart from those mentioned previously, non-British Europeans now potentially came from Northern European countries such as Norway, Denmark and Switzerland; a small percentage was Eastern European, like Latin Jews. Other TCNs also included Malaysian, Singaporean, and Arabian.

This change implies that the available labour force source became more diversified. Before British rule, HK industry largely focused on fishing and agriculture meaning that its population was made up of less educated manual workers. Even those who moved to HK from outside were mostly from the lower rungs of society, therefore it is not surprising that few of them had had the opportunity to receive modern knowledge (Endacott, 1962). Restrictions in the local labour force and the inability to transport large numbers of employees from overseas caused big recruitment headaches for the Government. Once it implemented control in HK, growing business trade brought more people into the region, many of whom had had the chance to understand local custom during their frequent contact with the Chinese. This in turn created possibilities for them to work in the local environment. Simultaneously, other European countries were developing colonial activities in China, resulting in more and more Europeans flowing into China and HK, further facilitating the widening diversity of the social demography. This formed an increasingly diversified local labour pool.

6.4 Recruiting Practices Within Government Departments

As has been discussed many times, the HK Colonial Government experienced remarkable growth and development during the research period and one of the proofs of this is the dramatically expanding payroll over this time. In addition, through study of the HK Blue Book for this period, we see more and more departments and offices recording themselves as individual units. In the 1845 records, only the Police Force was separate in the general report, while other department information was missing or not available for tracking. This does not prove that the Colonial Government did not possess the functions, but it is assumed that, owing to the fact that the institution had just been created, organisation was not yet orderly, or perhaps nothing was recorded properly. Either way the mechanisms were not fully formed.

For example, the "Colonial Secretary's Department and Legislature" appears after 1885. But in the 1845 Blue Book, we can see through recording patterns and position titles that this government section was managed by four clerks, who handled all works under the governor and even some other duties from different functional sections. Simultaneously, the word 'legislature' was not referenced in any of the position titles of the time, leading to speculation that, whilst work in this area might have been handled by certain employees, nobody was hired specifically for this task. All these factors suggest that organisation and systems in the Colonial Government's departments and offices developed over time. Its functions became more comprehensive and its departments and labour divisions became clearer. In records from 1925 in particular, there is reference to some newly built departments whose function had not previously been included in other departments or offices. These included the HK Volunteer Defence Corps, Port Development Department, and Kowloon-Canton Railway (British HK Colonial Government, 1925). The creation of

these new departments would have been hastened by social realities and developing demand, which perhaps suggests that set up of the basic government functions was generally completed and the Government was now able to spare energy and time to improve management quality by addressing social demands.

Apart from the newly created sections, other more functional departments experienced upscaling processes. These included the Botanical and Afforestation Department, the Police Force, the Public Works Department, etc. Detailed statistics of employee numbers in all departments are listed in Appendix 3. These are taken from the Civil Establishment chapter of the HK Blue Book, which lists statistics on employee scale changes in each department and office in different years. The discussions that follow will summarise important features of departmental recruitment numbers, but will not cover employee position grade information unless the discussion requires it.

Some departments systematically relied on British hires in order to maintain function and management. For example, Table 82 depicts staff numbers for the Court. Information on Court staffing as an individual sector dates from 1885. According to the valid data, the Court retained a small number of employees throughout the period without much change, however the internal nationality break down did change slightly. A slight decrease in British staff numbers can be gradually observed. They remained the biggest national group in the department, although the gap between them and the Chinese did narrow through increased hiring of the Chinese. Non-European TCNs had more access to positions in the Courts in later years, but the European (non-British) eventually became the smallest represented group with only one seat in Court.

Year	Total	British	European	Chinese	TCNs
1885	18	11	4	3	0
1905	20	10	2	6	2
1925	20	9	1	7	3

Table 82 Court recruitment statistics

It is also suggested by the Blue Book that the Medical Department and Hospitals employed a significant number of British employees. To simplify the comparisons between nationalities, Table 83 shows the staff numbers and representational percentages for each national group within all department positions. The first aspect to note is that the department's growth was significant. The British played a dominant role throughout, however it is clear from the data that this department hired considerable numbers of Chinese employees as well. In fact, in some years, this group had a bigger numbers than the British. If we look at the employee positions, however, we see that although Chinese numbers were large, they mostly covered positions at the administrative level (interpreter, accountant, clerk), or undertook the manual jobs that do not require a lot of medical knowledge and skills (dresser, ward boy, coolie). Apparently, the important/professional positions, such as head of department, officer, apothecary, sister, and nurse, were mostly held by the British and other non-British Europeans (British HK Colonial Government, 1925).

Year	British		European		Chinese		TCNs		Total (N)
1865	8	38.1%	5	23.8%	7	33.3%	1	4.8%	21
1885	12	38.7%	3	9.7%	13	41.9%	3	9.7%	31
1905	37	55.2%	5	7.5%	20	29.9%	5	7.5%	67
1925	68	44.4%	7	4.6%	75	49.0%	3	2.0%	153

Table 83 Medical department and hospital recruitment statistics

In the Colonial Government, some departments routinely hired Chinese employees into the majority of the positions. Examples of this can be found in the Educational Department and the Sanitary Department.

Year	Total	British	European	Chinese	TCNs
1885	37	6	1	29	1
1905	89	23	5	60	1
1925	293	83	8	197	5

Table 84 Educational department recruitment statistics

Table 84 contains nationality statistics for the Educational Department. From 1885 when records became available, it is clear to see that Chinese people took the majority of this department's positions. British employees are also represented in considerable numbers compared to other non-Chinese national groups. Table 85 suggests that the Sanitary Department became a standalone unit relatively late in the research period, appearing in the records for the first time in 1905. By this time, the Chinese were the biggest employee group by nationality. Dramatic development happened over the following 20 years. It can be seen that the employee population of this department increased from 151 to 1382 and that the Chinese took a significant amount of jobs: 1321 of the total in 1925. Additionally, all other nationalities saw staff numbers decline during this time.

Year	Total	British	European	Chinese	TCNs
1905	151	52	17	65	17
1925	1382	49	3	1321	9

Table 85 Sanitary department recruitment statistics

In contrast to the abovementioned departments, where the Chinese began as and remained the biggest national group, some other departments experienced transformations that saw Chinese employees replacing employees from other national groups, causing the Chinese to appear in the records in ever increasing numbers after a certain period of development. These transformations match what we know of the overall government recruitment statistics: local hires overtook other national groups over time.

Table 86 reveals staff number statistics for the Police Department. This is one of the oldest, as well as the biggest, departments in the Colonial Government, so the relevant records date from the year the records began. In general, this department experienced rapid growth: the staff population in 1925 was nearly 14 times that of 1845. It is clear that the British did not play a significant role in this sector over time. At the beginning, Europeans (non-British) were hired in large numbers, followed by the TCNs (non-European), while the Chinese only took 17.9% of the total positions, which is surprising as the local labour force. In the next 20 years, against a background of rapid employee increase, percentages of Europeans on the police force dropped from 43.8% to 13.2%. In contrast, the percentage of TCNs (non-European) quickly rose to 67.7%, making this group the biggest in the police force. The percentage changes to British and Chinese employee representation were not significant. During and after 1885, records suggest that the Chinese received the most job offers in the Police Force, whilst the Europeans (non-British) were in a slow but gradual percentage decrease. On the other hand, the TCNs (non-European) lost their absolute number advantage in this department.

Year	British	European	Chinese	TCNs	Total (N)
1845	0.0%	43.8%	17.9%	38.3%	162
1865	0.8%	13.2%	20.2%	67.7%	628
1885	3.5%	14.4%	59.4%	22.8%	780
1905	3.5%	11.8%	53.3%	31.3%	1157
1925	1.7%	9.8%	65.5%	22.9%	2249

Table 86 Police department recruitment statistics

The Public Works Department was another big sector in the Colonial Government. It is shown in Table 87 that in the Public Works Department there was initially no real gap between Chinese and British numbers, but a rapid increase in Chinese hires is reflected in the statistics for 1925. In this year, Chinese employee numbers finally overtook the British, giving them the majority in the department.

Year	Total	British	European	Chinese	TCNs
1885	60	30	5	25	0
1905	141	65	11	63	2
1925	621	164	16	424	17

Table 87 Public works department recruitment statistics

The last sets of statistics, dating from 1925, prove that Chinese employee numbers overtook other nationalities in most departments. The statistics also show that this process happened earlier in some departments than in others. Generally, in departments concerned with primary functions, the overtake happened in 1885. This is the same year when total Chinese employee numbers in the Colonial Government surpassed that of other national groups and became the biggest in the organisation. On the other hand, in the central administrative departments and some of the departments related to modern science, Chinese employee numbers overtook the others somewhat later. For example, according to Table 86, the Chinese overtake in the Police Force happened in

the year of 1885, while the "Colonial Secretary's Department and Legislature" that experienced relatively slow growth shows a very late overtake by the Chinese. The latter's recruitment statistics are displayed in Table 88.

Year	Total	British	European	Chinese	TCNs
1885	14	4	5	4	1
1905	30	14	2	12	2
1925	20	8	0	10	2

Table 88 Colonial Secretary's Department and Legislature recruitment statistics

It is clear that this department was never a large one. The statistics start from 1885, when the employee numbers of British, European (non-British), and Chinese were not much different in the department. In later periods, the different populations had ups and downs, with a prominent decrease evident in the numbers of Europeans (non-British) that ended with none of them employed in the department. The gap between the British and Chinese was never remarkable until 1925 when the Chinese topped the British in staff size for the first time. Drilling down into operational information on the department, its policy differed slightly from others that solely used British staff to lead or manage and used the Chinese as the clerks. This department also hired British into higher clerking positions, whilst the Chinese appeared in the lower clerk positions, such as "Class III Clerk", "Class V Clerk", and "Class VI Clerk" (British HK Colonial Government, no date). This policy served the British to maintain a tight control over the organisation and reflects the Colonial Government's general approach.

We have now tracked a general decrease in European (non-British) employee proportions in most of the government departments, whilst the British and local Chinese remain the main choices to fill most positions – the Chinese especially so after

1885. So, it is surprising to see a decent percentage of TCNs – to be more specific, Indians – in the Police Force. Even though Chinese recruits into the police force overtook the TCNs by number, the Indians maintained a considerable representation: between 20% and 30%, even after the overtake. During my assessment of the government's departmental recruitment, another special case came to light: the department of Victoria Gaol.

Records for the jail begin in 1865 and the staff population expanded visibly from then. In normal circumstances, supervising criminals requires a lot of warders; a type of manual position without significant technical content. In theory, the HCNs should have been the proper choice for hire in large numbers to fill these jobs. However, as is revealed in Table 89, the data suggests that this was not the decision taken by the Colonial Government over the entire research period. In fact, most of the jobs were taken by TCNs (non-European), more specifically by the Indians. Apart from the latter, a considerable number of British employees were also utilised in the jail. For the majority of the researched years, the Chinese remained the smallest ethnic group hired by the Gaol, showing that the Colonial Government offered very limited chances for Chinese in this particular department. This could potentially be due to the special job category. Interestingly, for the British, the Indians in India were not to be trusted, but the Indians in China were. Owing to the fact that they did not share the same cultural heritage and language, it was considered less likely that Indians would reach agreements with Chinese prisoners. Additionally, the length of time that the British colonial activities had been underway in India had brought them to a somewhat better understanding of each other. Furthermore, the Indians were cheaper to hire than the Europeans and the close geographical distance made it practical to transport large

numbers of them from India to China. Consequently, the Chinese were not trusted to be given the prison key, but the Indians were and they became the first choice for hire in the Victoria Gaol, which is unexpected but makes sense.

Year	British		European		Chinese		TCNs		Total (N)
1865	5	20.8%	8	33.3%	1	4.2%	10	41.7%	24
1885	27	39.1%	12	17.4%	9	13.0%	19	27.5%	69
1905	36	30.5%	3	2.5%	4	3.4%	75	63.6%	118
1925	78	34.5%	5	2.2%	5	2.2%	138	61.1%	226

Table 89 Victoria gaol recruitment statistics

The departmental construction of the HK Colonial Government was achieved gradually over a long time. In the early stages, British and European (non-British) staff took most of the positions in the organisation. As the government developed, especially in the period from 1866 to 1885 and afterwards, Chinese employees overtook other nationalities in number, becoming the majority workforce in many departments. This was not the case in some departments, however, including central functioning departments such as the Colonial Secretary's Office, the Audit Department, etc., where the department contained a large number of jobs related to modern science. It is noticeable that the situation in Victoria Gaol was even more specific and hiring of the Chinese was largely restricted all the time. This suggests that although the Colonial Government relaxed limitations on recruiting the Chinese, it attempted to keep control of the information and knowledge flow within their own group by avoiding placing the Chinese in important positions where they would be in touch with core information. Therefore, within the limits of British trust, the Chinese largely worked in ordinary administrative jobs, such as mid-lower class clerk, interpreter or manual jobs. On the other hand, there were some departments that did handle sensitive information but were

related to the modern sciences, such as the Sanitary Department and the Medical Department. Benefiting from improvements in education, the knowledge structure of the local residents had been transformed, meaning it was possible for them to obtain jobs in these government departments. This would explain the continuing rise in Chinese employee percentages in these departments.

6.5 Staffing Approach

6.5.1 National Hierarchy of the British HK Colonial Government

The first data period studied was the years between 1845 and 1850. The results suggest that in this period, the initial phase of the British HK Colonial Government, the establishment of departments was incomplete, and employee numbers were small-scale. From the perspective of national diversity, the Government was relatively plain at that time. Without doubt, the class distinctions between nationalities were remarkable and were specifically prominent between the British and other non-British employees. The British were not a large-sized group in the organisation, but almost all managerial and most of the administrative positions were occupied by them. Extremely high-grade jobs and high salary levels separated this group from the general employees, awarding the British the right to dominate the Colonial Government without any challenge from other ethnic groups. Unquestionably, they occupied the top of the hierarchy pyramid. This status remained unchallenged by the other ethnic groups and British pre-eminence held fast throughout the research period.. This is illustrated in Figure 13, which depicts status changes in the hierarchy from the beginning to the end of the research period: 1932. The European (non-British) employees experienced similar stability to the British in that they remained at the level directly below the British, but above other

non-British employees, the whole time. Even when the their staff numbers dropped to their lowest levels, their living standards remained massively ahead of the lower tiers. This enlarged the status gap with other non-British groups and at the same time shrunk the gap with the British.
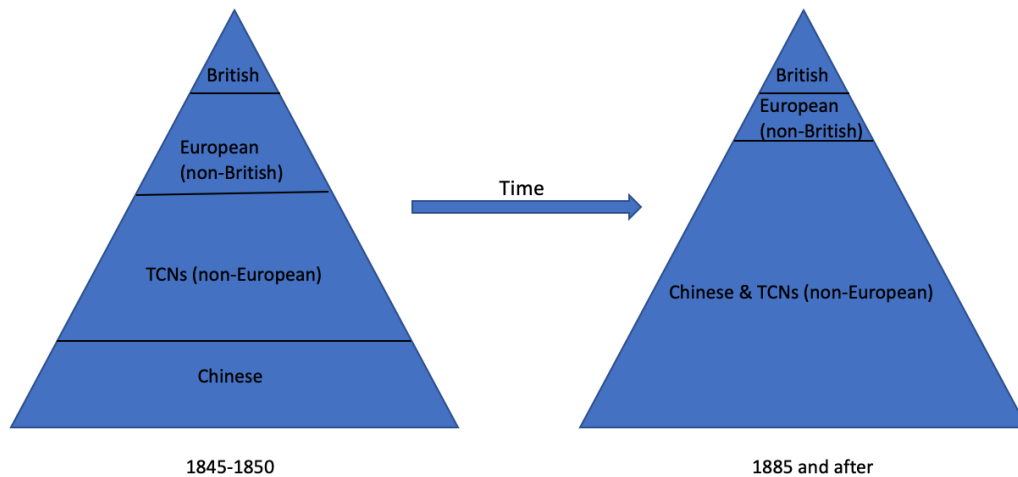
Figure 13 National hierarchy in the British HK Colonial Government

So, the class status of both the British and European (non-British) employees can easily be confirmed as relatively stable. The groups that experienced definite changes in circumstance were mainly the Chinese and TCNs (non-European). The TCNs (non-European) began as the biggest group in the early stages of development. They were higher placed in the Police Force and, in general government positions, also earned higher than the local employees. The Chinese primarily took the hard, low-grade physical jobs and were paid accordingly. A few Chinese achieved administrative positions, however, they were in the absolute minority in their ethnic group. Thus, given the simplicity of the government's structure at that time, and because the TCNs (non-European) were hired with the strong subjective purpose of managing the local people, this research considers that the TCNs (non-European) had a higher class-status

than local Chinese. This condition lasted until 1885, when arguably a change occurred in the Chinese employees' class status. This will be discussed further.

The HK Colonial Government had achieved a more comprehensive level of development by 1885. As has been greatly discussed, from this point the Chinese overtook other nationalities in employee numbers to become the majority workforce within the organisation. They were offered more opportunities to obtain mid-level jobs, whilst their TCNs (non-European) counterparts were not; although the latter's average salary remained slightly higher than that of the Chinese. The Chinese improvement in position and staff numbers cannot be ignored and suggests an overall advance for the nationality in class status within the Colonial Government. However, whether Chinese staff did in fact overtake the TCNs (non-European) in terms of 'class' remains open to question. Therefore, it is a safe decision that Figure 13 leaves these two national groups together at the bottom of the hierarchy pyramid. The fact is that the class status for both the British and the European (non-British) is so easily confirmed, that it is enough to illustrate related issues in the Colonial Government's approach to staffing.

6.5.2 Staffing Approach Practice and its Future

According to the statistics taken from each of the research periods, the British hold on the majority of the managerial positions (including the senior managerial and the normal managerial positions) of the British HK Colonial Government remained stable. Based on the literature of the EPGR model (Perlmutter, 1969), it is proven that the Colonial Government retained the ethnocentric staffing approach throughout the research. It is noticeable that Chinese prospects experienced remarkable improvement

from many perspectives, including employee numbers, position and salary, suggesting they were increasingly important to the Colonial Government. This trend would suggest the organisation was possibly moving its recruiting strategy from ethnocentric to the next step. This next step could potentially be the polycentric method, which regards the HCNs as significant to an organisation. This also meets the theoretical hypothesis of dynamic transformation in staffing approach alongside a multinational organisation's growth (Kelly, 2001).

From the statistics of promotion and salary increase in each research period, the positive prospects of the Chinese also support the above inference. Therefore, although there is not enough evidence in the current research to prove whether the Colonial Government applied the polycentric approach in its later years, there are enough pointers to state that the staffing method was approaching that direction.

6.6 Conclusion

This chapter, based on the statistics taken from each 20-year research period, summarised the salient features of the HK Colonial Government's recruiting processes from a longitudinal viewpoint. The Government experienced dramatic development throughout the time period, evidenced by the creation of new departments and whole-scale expansion of employee workforce. The increase in employee numbers was constant, increasing in speed post 1885 and undergoing a remarkable jump in the last period between 1905 and 1925. Each ethnic group increased their staff numbers, in spite of an evident decrease in their proportional representation in total government positions. This decrease did not affect the Chinese, however, who experienced the

opposite and ended as the majority workforce throughout the government. Additionally, nationality diversity was increased alongside the growth of the Colonial Government.

As the Government developed, more and more of its departments established their own records as individual units. In 1925, the creation of several new departments was noted whose operation differed from older, legacy colonial departments. To a certain extent, this might suggest that the original departments were running stably and so more effort could be spared to develop new ones according to the reality and needs of local society. From departmental recruitment statistics it is clear that, from 1885, Chinese employee numbers began to eclipse other ethnic groups in many departments. This continued until 1925 when most of the departments were utilising the Chinese as the main labour force. This transformation started in the general function departments and later spread into the central departments and those requiring their staff to be skilled in modern science and technical knowledge. Only Victoria Gaol kept to the hire of TCNs (non-European) because of the trust factor required by its jobs' sensitive nature.

The research ultimately confirms that the Colonial Government maintained its ethnocentric staffing approach from the beginning to the end of the research period. It cannot be ignored that the Government relied on local Chinese more and more during its development, showing the potential for it to turn to a polycentric staffing approach in its later operations, but there is not enough evidence to prove whether this was the case in the existing research.

Chapter 7 Reason Analysis 1840s – 1880s

7.1 Introduction

The secretary of the Colonial Colony expressed the point in 1843 that HK was 'occupied not with a view to colonization, but for diplomatic, commercial and military purpose' (Carroll, 2007). So, HK was considered a special colony with the purpose for its establishment and the way it was organised being widely different to other colonies. This is the basis of the discussion in this chapter. In Chapter 4, the research began by analysing the Colonial Government's employee records for position grade, salary, promotion, and salary increase data during the period of 1845-1850. From these the conclusion was drawn that, in its early stages, the British HK Colonial Government adopted the ethnocentric recruitment approach. Having confirmed and proven a fact, the question that follows is always: why? Therefore, in this chapter, the reasons why the British HK Colonial Government applied the ethnocentric recruitment method in its early days will be explored.

In the environment of international business, organisations tend to be influenced by much more complex factors than those developing in the relatively pure and simple domestic market (Jackson and Schuler, 1995). These factors affect decision-making, as well as play a role in driving the organisation to change and develop. To understand what the influencing elements are, a study of the context each organisation finds itself in offers a guide as to which specific aspects played a role in its development. Beginning in the seventies and eighties of the last century, background and context have become more important in IHRM research (Murray and Dimick, 1978; Rynes and

Boudreau, 1986; Saari *et al.*, 1988). Since then, an increasing number of researchers agree that context is a significant issue and it is important not to carry out research simply into IHRM alone. Therefore, under the banner of making IHRM theory more effective, context study has experienced a big step up in development and importance (James *et al.*, 1992; Johns, 1993; Toh, Morgeson and Campion, 2008). Context study examines the internal and external context of organisations (Jackson and Schuler, 1995). Hence, in the case of the British HK Colonial Government, the discussion of the reasons behind its decisions will consider the mix of factors at play, both internal and external to the government. These might include such aspects as the Colonial Government's lifecycle, politics, local natural and social environment, the cultural environment and economic conditions, as well as the education system and labour resources.

Our research at this stage has completed its analysis of the Government's recruitment practice in its early phase. The ethnocentric staffing approach is one that tends to hire PCNs into its top and important positions, affording them preferential treatment and facilitating parent country control of decision-making processes. Other nationals are placed at the secondary/lower levels; their role to execute the commands of the PCNs (Perlmutter, 1969). Key to the discussion is to discover why the British were placed into the high-class positions in the Colonial Government, whilst the Europeans, Chinese and other nationals stayed at the secondary and even bottom tiers of the Government hierarchy structure from the social context perspective. In this chapter, I will explore the reasons based on the aspects enumerated above, aiming to draw a logical picture of how these phenomena formed against that specific historical background.

To ensure the structural integrity of the discussion, while avoiding repetition, I will briefly recap the analyses conducted on position grade and dynamic promotion. Similarly, I will touch on the aspect of salary and its longitudinal increase.

7.2 Position Grade & Promotion

The establishment of the HK Colonial Government was an immediate move on request, following publication of The Proclamation of June 26, 1843 in the Gazette (Eitel, 1983). Theory suggests that in the establishment phase of an institution, the key issue is 'existence', which, for the Colonial Government, meant to build the organisation as well as its systems (Lester, Parnell and Carraher, 2003). In the early days of the Government, colonial rule had not been consolidated and thus strengthening the power of its authority was an important goal for the Colonial Government. The need for power concentration is evidenced by the refusal of the second HK Governor Sir John Francis David's proposal to increase the Legislative Council to five and the Executive Council to four from three as originally laid out — the reason given: "*since the Councils had been deliberately made small to strengthen the Governor's position*" (Endacott, 1959, p. 52). Giving too much power to the Chinese could have put British rule at risk, as it would not only have weakened the administrative executive force of the new born organisation, but also might have resulted in HK being taken back under the control of the Qing Government. To smoothly achieve its goal of 'existence', the HK Government, as a subsidiary, relied heavily on the Home Government for resource supply and guidance and the PCNs were the ideal couriers of these.

First of all, the British had the knowledge of running and managing a colony. Before the HK Colony was built, the British Empire had amassed more than two hundred years' colonial history, which offered them a wealth of relevant experience. Secondly, the British, as the interested representatives of colonial behaviour, were the most suitable candidates to ensure that Home Government orders were understood, transferred, and performed. As a matter of fact, it is recorded that the Government was formed by transferring officers from the Foreign Office to deal with local affairs, and many of them had experience of service in India (Eitel, 1983). For example, Henry Pottinger, who was the first Governor of HK, joined the East India Company's maritime service in 1803; John Francis Davis, who served as the second Governor of the Colonial Government, was a son of an East India Company official and had also worked in the same Honourable Company as his father, and his successor, Samuel George Bonham, shared a similar background (Endacott, 1962). These experiences, which afforded them skills transferable to the work that the Colonial Government specifically needed, were highly appreciated and valued, especially in the beginning phase.

In consequence, given the particularity of the HK Government and the need for its management to deal with the Chinese government on colonial affairs, the British home government needed to place its own representatives in the important and high-level positions. The Chinese, being the HCNs, were unable to be used by the Colonial Government. The obstacles to hiring the Chinese were twofold – the first was that the educational and cultural features of the local Chinese community at the time rendered them incapable of the high positions; the second was simply that, emotionally, the British were unwilling to employ Chinese at their side, sharing important and high-level positions.

7.2.1 The Skills and Capabilities of the Chinese employees

The instability of the colony's politics was an issue that the British could not neglect. The problems lasted from the establishment of the Colonial Government until the 1860s and were especially bad in the period of the Second Opium War. This caused the HK Government a tough environment in which to execute its colonial managerial tasks (Carroll, 2007). In the initial phase of rule, the Qing Government and even the local Chinese community held hostile attitudes to the British. This predicament obstructed the British from dealing efficiently with affairs. It was not only the British who were hated, however, the Chinese treated other Europeans similarly. It was said that the Europeans in HK were always worried about some sort of mass treachery through poisoning or uprising. Given this situation and the added tensions of the war, the British and their European counterparts were driven together as allies against their mutual enemies, which served to deepen the aggressive attitude of the Chinese. Under this specific political background, it was impractical to hire Chinese into the ruling class.

In addition, there was a huge cultural and religious gap between the Chinese and European communities. Before 1841, the people of HK Island had already formed and settled into well-established communities. Temples had been established as usual in the Chinese communities for the celebration of periodic and special rites. By the time the Colony came to be built, the area had become the main social centre for HK's Chinese population and performed the function of a self-managed informal government for the Chinese community (Carroll, 2007).

This distinct culture hindered communication and understanding between the Chinese and European communities. The philosophy of Confucius, with a history of over 5,000 years, was the core cultural value in Chinese society and was greatly integrated into Chinese business and managerial style (Siebers, Kamoche and Li, 2015). This formed a contrast and challenge to Western Christian Culture and the management model shaped under its influence. In particular, the guanxi-based relationship practice (a sort of personal relation and social network) had been popular and broadly operational in Chinese society and its business system setting, bonding the Chinese community as a closely linked social network. This was not easy for foreign members to break into and merge with in a local context (Tung and Worm, 2001).

These factors facilitated the "them and us" stand of the Chinese community towards the Western communities, including the British. So, in view of the broken relationship between the Chinese and European communities, accepting Chinese staff into the higher positions of the HK Colonial Government in its beginning phased was deemed an unreliable decision.

Beyond what has been outlined above, there was another issue that the Government had to consider – the local human resource: were the Chinese able to handle colonial managerial tasks if they were offered the positions? The answer is unfortunately negative. Before British rule, agriculture and fishing had been the 'principle occupations' in HK, meaning that farmers and fishermen made up the majority of local society (Johnson, 1986). The situation was explained by Barbara Ward (2017):

> *As a rule, southern Chinese fishing villages contained no gentry. Moreover, Chinese fishermen, unlike many even very poor landsmen, had no ties with gentry kinsmen or affines, nor did they have very much, if any, opportunity of ever rising to the ranks of gentry through the examination system.*

Therefore, the lack of a gentry class who could mediate between the colonial administration and the humbler Chinese is not surprising. Meanwhile, according to the records, apart from the aborigines, the mainland immigrants were mainly from the lower classes as well, such as labour, Tanka outcasts, wanderers, smugglers, and artisans (Carroll, 2007). These bottom-class labourers filled the Chinese community and it was very rare that any of them had had any opportunities for education. As a consequence, they were forced to earn a living in more physical jobs, with income that covered only the most basic living needs. They were distinctly lacking in managerial ability and experience.

To sum up, there were thus obstructions and limitations to hiring Chinese into important positions within the Colonial Government that made this move unrealistic. As this stage, it was only the British who could understand and accomplish the tasks involved in colonial affairs, particularly in the early years. Thus, the ethnocentric approach was the right choice for the HK Government to make regarding its recruitment policy. In addition, as a result of the opposition from the Chinese community, the alliance that developed between the British and other European communities may potentially have further skewed the recruitment practice and attitudes of the HK Colonial Government toward its preference for non-British Europeans.

7.2.2 The Resistance and Reluctance of Adopting Chinese Employee

Although, due to various factors, the ethnocentric staffing approach has proven the most adaptive one for the British HK Colonial Government in its early phase, it is important to see through the initiative to divine whether the British were ever willing

to adopt the Chinese. This would influence whether the British would make any effort to create the conditions that would make it possible to assume the Chinese into their social group, to develop and enhance their potential.

The HK Colony was a multi-ethnic society, made up of British, Chinese, Portuguese from Macau, Jews from Bombay, other Europeans, Armenians, Indians, and Eurasians (Carroll, 2007). Similar to other colonies, all ethnic communities fell into two opposing groups: roughly 'rulers' and 'ruled'. Generally, Europeans considered themselves as distinct from the Chinese, Indians and Eurasians. As the local Chinese community was made up of the lower class, this inevitably caused a higher chance of disharmony taking place. In fact, the dominant ideas regarding early HK suggest it was an unpleasant place: *"the British were disposed to regard all the inhabitants of HK Island as lawless and potentially dangerous"(Canton Register, 1844).* The Europeans who lived in HK frequently complained of their living environment, which was seemingly referenced by Governor Davis in the following:

> *"...migratory, property most insecure, and life often in danger, from the bands of piratical robbers that infest this and the neighboring islands... Many of the worst description of Chinese resort there, and I have seen during one evening at Victoria more open scenes of vice and debauchery than I had observed during my three years stay in the North of China. So much for the boasted march of civilisation." (Martin, 1846, p. 470)*

It was this sense of threat from the Chinese community and on the urging of their own senior members that caused the Colonial authority to follow a sort of segregation policy, meaning that the European community was prevented from mixing with the Chinese population. The policy appears confirmed by this quotation from Pottinger:

> *"it would be very advisable for the interests of the community that the Chinese should be removed, so as to prevent as much as possible, their being mixed up with the Europeans" (Davis, 1844, p. 435).*

Governor Bowring expressed in September 1858 that '*the separation of the native population from the European is nearly absolute; social intercourse between the races is wholly unknown*' (Carroll, 2007). However, in the case of the HK Colony, even the European communities divided into different classes, reflected in the example of the preferential treatment of the British compared to other European nationals.

It is interesting to note that there was no real nobility in the HK Colony. The British officers originally came from the middle class of Britain, with ambitions for their career that could be better pursued abroad than working in their home country. Unfortunately, the Colonial Government did not put sufficient effort into understanding, or encouraging the British people to learn and integrate with, Chinese culture, society and customs. This not surprisingly caused barriers and serious problems. British claimed the best land and obtained most of the society's resources. It is recorded that in this political environment, the British widely disdained and scorned Chinese people. They often complained about the smell and noise of the Chinese and treated the labourers very poorly and rudely. For example, it would not be uncommon to observe British or other Europeans beating Chinese labourers with umbrellas or sticks, or throwing coins on the floor to Chinese rickshaw pullers rather than handing them over (Carroll, 2007). Against this macro-background, the Europeans regarded their communities as being in a class higher than the local Chinese and were unwilling (especially the British) to close this perceived gap in social status to equate themselves with Chinese.

In addition, apart from scorn, there was another emotion, fear, that caused the unwillingness of the Europeans to accept their Chinese into their social circle or hire them into high-class positions in the Colonial Government. Under the shroud of

tropical diseases such as malaria, the Europeans suffered from high death rates, especially in females (Carroll, 2007). For example, Emily, who was the daughter of Governor Bowring and helped to open several mission schools, unfortunately died at the age of thirty-six in October 1852. Troubled by fear of disease, the Europeans attempted to keep their distance from the local citizens in order to decrease the chances of being infected. However, unavoidable contact occurred and their fear evolved into a sort of resistance psychology against the Chinese community. This in turn aggravated the split between the Chinese and Europeans and raised further difficulties for any Chinese seeking higher positions in the Colonial Government.

If we divide the hierarchy of the Colonial Government into high, medium and bottom class, them the Europeans occupied the high-medium layer of the hierarchy pyramid. It is stated by Lethbridge that (1978, p. 164):

> *"Europeans in HK saw themselves as members of an elite – as an upper-class elite in the English sense – sharply distinguished from a European petty bourgeoisie and a Chinese lumpen proletariat and working class. Some, in other words, had taken over the style of life, the attitudes, and the behaviours of a class to which many did not belong by reason of birth or education".*

However, as previously stated, there were also divisions inside of the European communities, which has been proven by the previous data analysis and other historical records. Clearly, the British enjoyed a special, more elite, status. A further example of in-community delineation is the Portuguese. The latter were placed between other European nationalities and the Chinese communities (Carroll, 2007). Similar to the other European nations, Portugal had pursued colonial expansion in China and this made it easier for the Portuguese and Chinese to reach an understanding on culture and background. So, in a sense, the Portuguese were like the British in playing the role of intruder in the eyes of the Chinese. Additionally, the Portuguese in HK originated from

Macau and had received their education in local Macau Catholic missions. This contributed to a better understanding between them and the British. Therefore, technically the Portuguese enjoyed social status as members of the European community. However, as they mainly came from the old families in Macau, rather than from anywhere inside the British colonial system, their position in HK was still slightly different to that of other European nationals and they were regarded as the lower class within the European community. Outside the Government, the Portuguese sought jobs in British companies, while inside the Government, they normally served as clerks, or (on account of the language advantage) held jobs as interpreters.

There was another separate community in the Colonial Government – the Indian community. In principle, the Europeans did not count the Indians as part of their social group. Similar to HK, India, geographically located in Asia, had been a colony under the British Crown for a long time, which gave the Indians in HK a relatively low social status. However, it is revealed in HK's Blue Book that, when occupying the same positions, Indian employees earned higher salaries than the Chinese. According to the records, the majority of Indians were hired into the Colonial Government as soldiers and policemen, for the very simple reason that they were unlikely to take the side of the Chinese and help Chinese prisoners to escape (Carroll, 2007). The Home Government had rejected Governor Pottinger's initial suggestion to build the police force by transferring British people to HK, citing the huge cost attendant on this plan (Endacott, 1962). However, recruiting Indians into the army and police force gap was seen as a desirable solution due the massively reduced cost and labour involved. In other words, the British aimed to achieve their security by employing Indians, who were more trusted by the British than other non-European people. Indians were not

admitted into European social circles, but did have more loyalty to the British in comparison to other non-European nationals. Having been given more power than the Chinese, this was followed by a better social status.

So far, our analysis of the social background has depicted a high-to-low class structure that was influenced by the geographically-related and cultural backgrounds of the nationalities mentioned. It can be drawn up as: British – European – Indian – Chinese. This fits with our image of the national hierarchy in the Colonial Government gained from previous data analysis (see Figure 14). The integration of class status and the Colonial Government's national hierarchy emphasises that the British relied heavily on class status and social relationships when finding themselves partners to worth with, whilst the great differences in social class between the British and the Chinese presented subjective obstacles to them being hired into important positions. Under the drive of all these factors, the ethnocentric staffing approach was the only one that the British were willing to adopt in the HK Colonial Government.
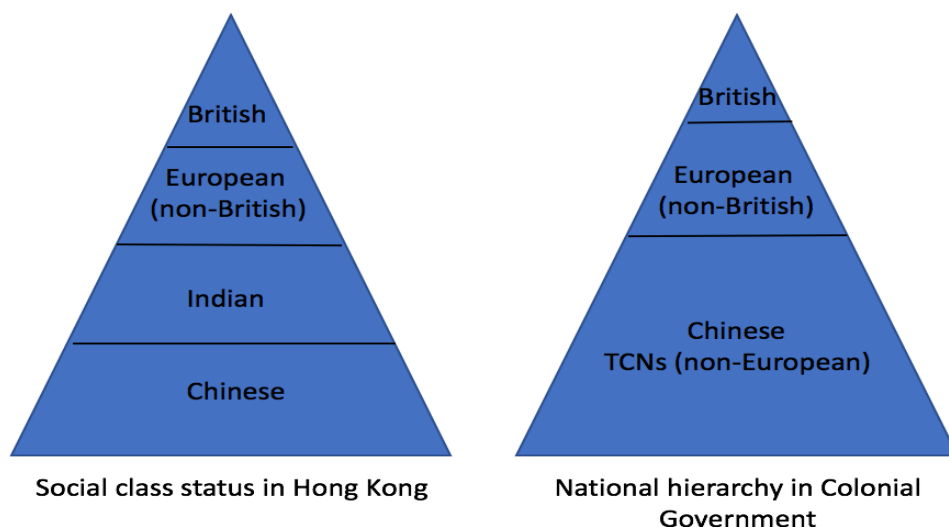
Figure 14 Status pyramid of HK Colony and the Colonial Government

7.2.3 The Opportunities for the Chinese

As mentioned before, during the early years of the HK Colony, the Chinese people, who were the class being ruled, stayed at the bottom of society. Under these circumstances, and owing to several subjective and objective reasons, it was thoroughly impossible for the Chinese to acquire high-level positions in the Colonial Government. However, from a business perspective, given that the British faced the difficulty of a terrifically long geographic distance from their home country to China, transferring a large amount of PCNs was hard to achieve. Therefore the importance of the Chinese, being the HCNs, could not be neglected. Simultaneously, managing the British and European workforce was never an easy task. It is very likely that due to their privileged status and salary rate, which, even though higher than any other non-British national's, was still believed to be "too low to attract the right men" (Endacott, 1959), that European employees were of low professional quality, especially those in administrative and manual positions. As regards management of the Chinese labour force, even though the attitude of the British to the Chinese was always expressed with very negative judgements such as 'corrupt' and 'lying', making it hugely difficult for the Chinese to advance in the system, the British still had the intention to manage Chinese people through Chinese people (Carroll, 2007). In a sense, this indicated that the British did wish to hire Chinese people to deal with local affairs and were willing to achieve it by putting in effort. This presented the Chinese with the potential for a rise in their status in the Colonial Government.

One typical example can be found in the case of the Police Force. In the early stages, the police force was mainly formed of Europeans and Indians, as the Chinese were not

trusted to be involved in police recruitment (Carroll, 2007). One obvious drawback of hiring a foreign team was that none of them spoke Cantonese, which was clearly not a positive sign, as stated by Eitel in his book (1983, pp. 203-204):

> *"...the discharged English and Indian soldiers of whom the corps was made up were helpless, in their ignorance of the native language, without assistance of Chinese constables, and as the latter were of the lowest order, this establishment of a Colonial police made things rather worse".*

Therefore, there was in fact some need to hire local candidates, or at least to teach Cantonese to the Europeans and other foreign employees. In a certain sense, as long as there was such a need, then there was opportunity for the Chinese to be involved in colonial affairs at a higher level, if not now, in the later stages. This is borne out in the words of Davis:

> *"I have been led seriously to reflect in consequence on the appalling amount of robbery and other crimes of violence which have hitherto existed...The attempt to regulate and restrain the Chinese population by a European police is attended with difficulties. The ignorance of their language, their customs and their persons given an insuperable advantage to the vicious part of the population and it becomes moreover a sort of patriotic combination against the rule of the foreigner. I was accordingly led to the conclusion that the Chinese in towns and villages would be best locally governed by their own system consisting precisely of tithings and hundreds superintendent." (Davis, 1844, p. 131)*

It was a long process for the Chinese to achieve a higher status within the HK Government. The fact that it happened was down to the revolution in and development of their education, which grew their talents and abilities. The diffusion of Western thoughts and knowledge started with the activities of the Christian Church. After the 1860s, the HK Government began to play a role in education and established a series of schools and colleges, at the same time pushing the use of the English language and officially reforming the education system. Simultaneously, with the opening of the national borders, there was a stream of people who chose to study abroad, bringing back modern knowledge and skills. These people became the reserve talents of the

Colonial Government. The enlargement of the Eurasian community, as well as the rise of a newly educated younger generation, showed signs of a developing Chinese middle class. This hinted at a gradually increasing Chinese influence in the HK Government, as well as an adjustment in attitude toward the HCNs within the Government. Governor Bowring suggested enabling the election of Chinese members to the legislative council as early as 1856, which unfortunately was rejected by the Council. However, it can be seen as an earnest effort to improve the status of the Chinese people in HK (Carroll, 2007). In the following years, the topic of increasing the power of the Chinese in Council was often picked up and discussed, until, in 1880, Ng Choy became the first Chinese to be recruited into the Legislative Council. This was a remarkable step, demonstrating that the status of the Chinese had experienced a great improvement in the Government and even the Colony.

Having understood the background to it, it is now not difficult to understand the changes that were tracked by previous data when analysing this period. The Chinese, like the Indians, remained at the bottom of the national hierarchy in the Colonial Government, most times sustaining lower treatment than the Indian and other non-European nationals. However, over time, prospects for the Chinese to be promoted changed and they became able to occupy positions in the middle class, which was never likely to happen to other lower-class nationalities.

7.3 Salary & Salary Increase

What has to be acknowledged here is the decisive effect of position grade. As the data analysis revealed, in the Colonial Government, there was an up-down featured

hierarchical structure among staff of different nationalities, which can be expressed as 'British – European (non-British) – Chinese and TCNs (non-European)'. This could largely be due to the simple factor of staff income: the British had the highest standard income, followed by the Europeans, the TCNs (non-British) and then the Chinese. At the same time, the predominance of promotion prospects for the British and Europeans influenced staff income to such a great extent that salary increases focused mainly on the British and Europeans as well. This also explains why the Chinese earned less than other non-European nationals, such as the Indians. However over time, as the Chinese developed more chances to be promoted, so did their earnings potential improve. This section aims to elaborate on the reasons behind the HK Colonial Government's recruitment practice regarding salary and its increase, and the analysis will consider the influencing factors beyond position grade.

7.3.1 British and European

HK geographically lies thousands of miles away from Britain, which is a long journey for the British, especially using the poorly-developed transportation network of that time: travel might take half a year by sea. In addition, before British rule, HK had been marked as a 'barren island' that might only meet the needs of the lowest form of organisms, according to the narration of British historians and colonial officials as well as journalists (Carroll, 2007). In addition, tropical epidemics were common in HK, causing Europeans to suffer from the issue of high mortality, particularly the females, as we saw with Emily Bowring. These tough circumstances made HK island uninviting and unengaging. Apart from the natural environmental factors, the social environment was in a mess too — public safety could not be secured owing to disturbances from pirates and robbers, which meant that HK was not a popular posting. This was

addressed in Endacott's book (1959, p. 61): "*The Governor was not fortunate in some of the men appointed to fill the higher posts; the island had a reputation for fever which made recruitment difficult.*"

On account of the abovementioned awkward situation in HK, the Colonial Government had to attract employees with beneficial wages and treatment in order to meet the required number of parent-country staff, guaranteeing that the Colonial Government could properly function as a ruling institution in its early years. For example, according to Endacott (1959, p. 61):

> *It was almost impossible to fill the post of Chief Justice, and the salary had to be raised to £3,000 before Hulme was obtained, and he proved to have an excessive weakness for conviviality.*

Therefore, apart from the influence of position grade, the higher positions' salaries had to be unnaturally raised, causing preferential salary and treatment standards of the British and Europeans in the Colonial Government. Unfortunately, staff quality and professional capability did not match their pay in many cases. Shelly, the Auditor, and bosom friend of Hulme, was reported by the Governor David as "dissipated, negligent, unreliable and in debt" (Endacott, 1959). Consequently, generously paid jobs attracted a group of middle-class British people who highly enjoyed the aristocratic life style available to them in HK during their term of office. As is stated by Carroll in his book (2007), the real British nobility did not exist in the HK Colony, while the main reason for the British officers and working-class being in the Colonial Government was to pursue higher payments than those in available to them in Britain. This caused the British income standards in HK to be dramatically high.

The high price of the British and other Europeans caused a headache for the Colonial Government. It placed the Colonial Government under a lot of financial pressure for hiring the right people into the right positions. For example, a European Constable was paid £35 a year in 1845, which was much higher than his Indian counterpart whose annual salary was £22 and the local Chinese who was offered only £15 per year. Even so, it was still the case that the price was "*too low to attract the right men*", which further caused the consequence that the police force "*remained for many years noted for its inefficiency, corruption and drunkenness*" (Endacott, 1959, p. 55). The privileged circumstances of the Europeans did cause difficulties for the Colonial Government, especially under pressure from the home government to economise on personnel and administration. As has been mentioned, the organisation of an efficient police force remained a problem for many years due to restrictions on financial offers. When compared to their importance to the Colony, the abilities and efficiency of the Europeans, including the British, appears to have been limited. The formation of the Colonial Government was an immediate consequence of the conclusion of the Treaty of Nanking (Eitel, 1983). Hence, the Home Government was faced with the difficulty of transferring colonial officials in a very short time and, as a result, a lack of qualified staff was the main issue that prevented its affairs from being worked out efficiently and reasonably. Sir Henry Pottinger used to frequently complain about overwork, which was caused by the lack of professional assistance from other colleagues (Endacott, 1962). This was not surprising given that '*his secretary was an assistant surgeon in the Bombay army; his financial secretary, the mate of a ship; his judge, an Indian soldier; his assistant judge, the second mate of a country ship*' (Norton-Kyshe, 1971).

To sum up, the British as the PCNs played significantly important roles in the early stages of British HK Colonial Government, which was a real early-mover MNE that

needed to adapt to a fully unknown environment. The ethnocentric recruiting approach was the one that could contribute the most in that specific occasion. As with other newly established subsidiaries, the Colonial Government was in a situation that did not have sufficient human resource, including from its British staff. So, the importance but lack of British employees could be why the majority of the positions were solely occupied by them, pooling the few resources but holding the highest privilege.

7.3.2 Chinese and Other non-European Nationals

Objectively speaking, dispatching staff from Britain and other colonies to HK was a necessary choice during the Colonial Government's initial phase, but the huge costs that this expatriation caused was always an issue for the Government. Also, the gap between the cost of civil establishment in the Colony and the budget that the Home Government allowed was a headache for the early Governors. As a matter of fact, the Government in London did not show a lot of enthusiasm for HK and so it is not surprising to see that the HK Government did not receive good financial support from the Home Government (Carroll, 2007).

For example, the Home Government originally demanded that the HK Colony achieve self-sufficiency when Governor Davis was in rule. This was rescinded, however, because the impossibility of achieving it was sufficiently proved by the latter (Endacott, 1962). Following this however, the Government was issued a serious order to reduce its financial expenditure during Governor Bonham's office. As the solution, Bonham put forward the idea of merging offices to cut down civil servant cost. In 1848, Bonham even delayed the payment of his own salary to the following year to try and reach the Government budget. Such a tight financial policy also made it difficult for Bonham to

set about any great public projects (Endacott, 1962). As recorded in the HK Blue Book, Bonham's salary had reduced from £6,000 per year to £3,000 per year by the time his term ended.

Based on the information that historical documents offer, it is known that the financial situation of British HK Colonial Government in its early phase was not optimistic. Hence, it can be inferred that under the restriction of the limited economic conditions, and after awarding certain British and European staff much higher salary standards than they would have earned in Britain, there was very scarce financial resource left for the Chinese and other non-European workers. Furthermore, the development level of HK at that time was far lower than Europe, given that fishing and farming were its main industries. As a result, the lifestyle of its local populace was simply about putting food on the table and clothes on their backs. The jobs they took were labourer roles, low in technical content. Thus, the level of average Chinese salaries and their treatment by the Colonial Government was low.

7.4 Discussion

So far, regardless of how the environment and conditions affected the HK Colonial Government, or the attitude of the British towards different ethnic communities, the ethnocentric recruitment approach is proven without question to be the one to assist the Government over the hump of the early years. People might question whether the ethnocentric method in the HK Colonial Government could be considered as evidence of racial discrimination. In which case, it is necessary to further explore the essential factors influencing the phenomenon. We will also look to reveal how, in the colonial

social environment of that time, the Chinese came to turn their unfavourable plight around and change their social status and image.

7.4.1 The Conflict of two Different Cultures

It is not comprehensive to simply conclude that the application of the ethnocentric staffing approach resulted from the discrimination of the British against the Chinese. Apart from the need for PCNs for a new start-up subsidiary colonial government and the skills restriction of the local society resources, it is risky to be one-sided and explain the emotional orientation of the British as simply 'national bias', though it was a very prominent represent.

During the initial stages of Britain's rule over HK, there was a prominent gap between the Chinese and British cultures, leading to misunderstandings between the two groups, followed by a break off in the two groups' social interaction. In addition, there was an extreme disparity in social status, with the British holding absolute power over the Chinese. In the latter period of colonial rule, Eurasians, the later generation of Chinese and Europeans, were raised in HK as a wholly new ethnic group. Owing to having half European blood, plus being largely influenced by a more cosmopolitan environment, they naturally had a more open attitude towards emulating Britishness. In fact, they became the bridge connecting the cultures of traditional China and imperial Britain. From the dynamic view, the experiences of the Eurasians and other active learners of Western culture reflect the characteristic of tertiary oppression. While from the static, a point-in-time, view these two groups were both under the effects of mixed oppression:

even if they were placed at the margins of the ruling class, a certain power was endowed to them and they acted as oppressors to the even more powerless HK citizen.

Apart from these two groups, other groups shared similar experiences, such as the non-British Europeans and the Indians. The circumstances of the non-British Europeans were quite particular. Owing to the fact that many other European countries had engaged in colonial activities and occupied colonial regions in the Qing government-ruled China, they were generally seen as intruders in Chinese eyes; as oppressors, endowed with considerable power to intervene and influence Chinese citizens' daily lives. Compared with the British, who in that environment were very keen on the hierarchical structure and thus applied the distinction strategy against any other ethnic groups in order to maintain and protect their power and dominance, the identity of the non-British Europeans was fundamentally distinct (Carroll, 2007). As for the Indians, they had a long history of being ruled by the British. A large number of Indians had been hired in their homelands and transported to HK, organised into the HK police force and supporting their colonial masters by taking on the role of oppressor in HK (Endacott, 1962). Both non-British Europeans and Indians were situated at the intermediate position in the field of interaction of colonial society (see Figure 15). While the non-British Europeans were typically found to possess a quantity of *economic capital*, it can be argued that, in essence, there was a large gap between their cultural capital and that of the British, in the sense that British symbolic forms were much more likely to be implanted than other European symbolic forms, owing to the political administrative power that the British held. But at that specific moment, the cultural distance between the British and other European nationalities was marginal in Chinese eyes — the non-British Europeans were afforded positive conditions in

contrast with the colonised residents, which endowed them with the power to claim maximum interests. The intermediate position provided the non-British Europeans with advantages to obtain a certain level of trust from both colonist and the colonised on many occasions and thus to establish connections with both sides, thereby working as an agent to generate conversations between the British and the locals. The Portuguese especially, as a unique group within the non-British Europeans, partially because they had interacted with the Chinese for longer than had the British, enjoyed a closer relationship with the Chinese residents than other Europeans. Certainly, Portuguese males were more likely to bond with Chinese females (Carroll, 2007), which was the major cause of the rise of the Eurasian group. Indians technically belonged to the intermediate group, but originally the quantities of their economic capital and cultural capital were at much restricted levels. In the eyes of the dominators, they were ruled, but due to the special reason for their presence in the colony (they were recruited into the police force and thus given the power to control the daily routine of the locals), they seemed to possess more cultural capital than the Chinese.
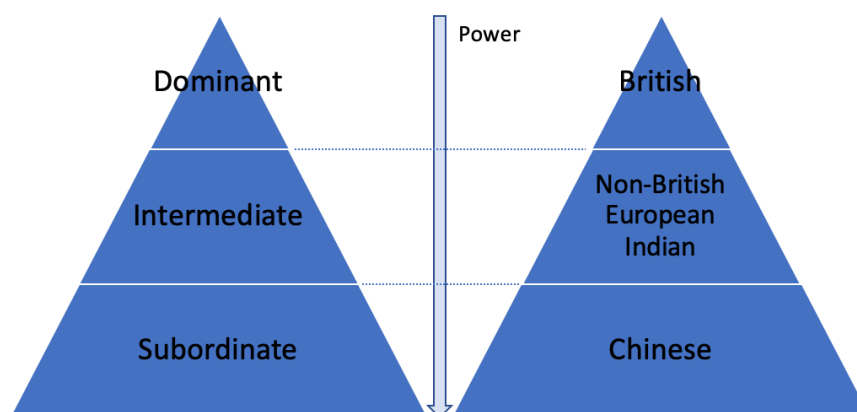
Figure 15 National hierarchical positions in HK colonial society

In the previous section, we found that the structure of the colony's national social status, matched with the Colonial Government's national hierarchy, indicating that social class

might have played a role in how the British chose employees or, in other words, their working partners. To a certain degree, nationality made a difference as to whether a staff member was hired to work *with* the British or to work *for* them. However, people may notice another pattern when observing social status in HK; that is, that the distance of different nationals in a social class fits their cultural distance as well. The cultural distances between the British and other non-British European countries were evidently smaller than those between them and non-European countries, such as China and India. This also explains the phenomenon that Indians experienced slightly better treatment in the Colonial Government than the Chinese, because India had a long history of being ruled by the British Crown, giving them a greater ability to understand British culture. Thus, as is shown in Figure 16, the governing factor behind the staffing methods of the Government was that the British found their working partners by sifting through the people who exhibited smaller cultural distances.

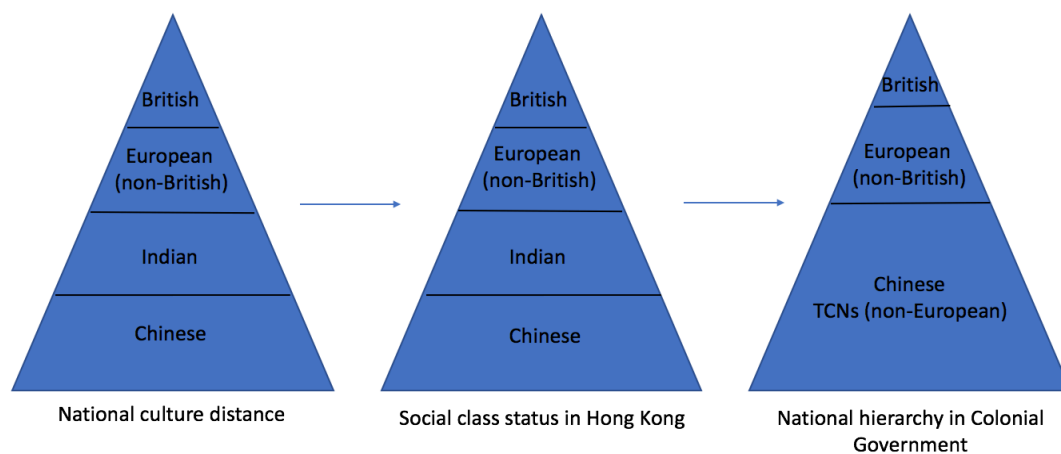*Figure 16 Interaction of cultural distance, social class status and national hierarchy*

This recruiting practice shows characteristics of the homosocial reproduction approach, which is explained as an organisation selecting people who are similar to the current staff, or promoting staff who are similar to the managers (Kanter, 1977). When taking the homosocial reproduction approach, an employer tends to hire employees who are

similar to him or her or the top management team, or can fit in well with the rest of staff. In this way, people who display different features tend to be weeded out. In short, beneath external expressive forms such as bias, oppression, or discrimination, what can be tracked is the distinction of cultural style. Thus, the conflict between the Chinese and Europeans was a cultural friction, the existence of which can help us to further understand that the action of pursuing an attractive position in a sense means narrowing the cultural gap or decreasing the estrangement of cultural understanding.

During the early years of the HK Colonial Government, this status disparity was reflected very obviously in the data of the HK Blue Book – the comparison of power and treatment across the different staff nationalities formed a stark contrast between the Chinese and the British/Europeans. Even though the British intended for the Chinese to be managed by the Chinese from the beginning of the Government, the effort they put into achieving this was limited. In the initial stages of British rule in HK, they were not interested in Chinese culture and accordingly did little work to understand the culture and customs, added to which it was very difficult to find any person in the Government with good knowledge of the Chinese language (Endacott, 1962). The contradiction of this Government policy was a non-negligible obstacle for the Chinese in attaining any mid-high level positions. However, over time, a mixed society and integrated living environment created a special situation that combined collaboration and conflict. Against this background, building a cultural bridge was a functional way to reduce the obstructions to communication. The intention to achieve 'management of the Chinese by the Chinese' mirrored the original intentions of the Chinese government behind contributing to the colony's development, which was a way to achieve the interests of the British themselves. This is what distinguished the

colony from most of the other colonies taken by the British Empire. Benefitting from such a mutual willingness, it hinted at a potential win-win for the British and the Chinese communities.

Following the unfolding of British education in HK, a group of new talent joined the competition of society. This group, alongside the new Eurasian ethnic group, played the role of a crossing point between Chinese and Western culture. Although the British Government worried that giving too much power to the Chinese would damage their interests and might risk HK being taken back under control by the Qing Government, this distrust was gradually eliminated through long-term adaption and association. By the end of the 1870s, some of the Chinese in HK who had been educated in the Government-established schools became successful businesspeople. A Chinese voice also sprang up in the Colonial Councils after 1880, which was deemed as a big step (Carroll, 2007).

From the broad view, local residents came under the rule of the colonial government, obeying the policies and regulations that had been passed by the government and at the same time reacting and responding to these policies and regulations through praxis. On the other hand, from the relatively narrow institutional perspective, people behaved according to the rules and conventions of internal organisations, and the institutionally structured hierarchy endowed individuals in different positions with unequal power and resources. The individual institutions, such as the government and the hospitals, existed in the microscopic colonial field of interaction, wherein people's everyday lives were influenced, which is also to say the institutions' daily operations always took place in a *colonial* environment. In return, they also shaped the pre-existing microenvironment

and the various kinds of positions within the structured hierarchy provided individuals with different possible trajectories. Therefore, in this specific spatio-temporal setting, the micro-colonial social environment, the various social institutions and the individuals all, together, constituted a complex field of interaction and were also subject to the impact of those interactions. In this context, many express terms restrained and guided social members' behaviour; however, it is interesting to note that the implicit rules which reflected the asymmetric social status among distinct ethnic groups endowed more significant and far-reaching influence to the context. The idea of spatio-temporal settings, fields of interaction, and social institutions in fact are the different angles from which analysis of the complicated social context is conducted and provides the context for all these discussions.

To sum up, we could try to understand the oppression, detestation and disdain apparent in the Colonial Government in its early phase as the results of emotion stemming from contradiction and distrust of a person with an unfamiliar cultural background. Influenced by the ideas of homosocialism and ethnocentrism, the British tended to hire employees whose cultural understanding was closest to their own, causing a distinct hierarchy inside of the Government. Nonetheless, knowing the importance of the Chinese to the task of managing the Colony taught the British the necessity of adopting them into the Government. These are thoughts that the British struggled with in the early years of colonial rule in HK.

7.4.2 The change of Chinese Image in the Colonial Government and HK

The changing attitudes of the British towards the Chinese, as well as the development of British education, planted the seeds for improvement in the status of the Chinese in the HK Government and even in the Colony. The growth of the Chinese community was a slow and rough process. Before 1880, when the first Chinese took a post in the Legislative Council, there was only one European who could speak Chinese, and that badly. This was the individual who was given responsibility for Chinese welfare, which was a drop in the ocean.

In general, the rise of the Chinese community was accompanied by the growth of the Eurasian community and the working class. Eurasians were a specific group in the HK Colony. In general, they were the progeny of a British/European father and a Chinese mother. By nature, they had a closer relationship with the Europeans compared to the local Chinese, but the British could not give them unconditional trust because they remained fearful of being betrayed or sold out if they got too close. So, the status of the Eurasians in HK during its early phase was more complicated – they were judged as 'neither fish nor fowl' and were known as the 'waving class' (Carroll, 2007). However, their built-in advantage, which was the ability to speak both Chinese and English, and their better reliability than the pure Chinese, made them necessary to the Colonial Government when dealing with local affairs. Eurasians normally held commercial or clerical positions in the Government. Due to the increasing rate of combination between Europeans and Asians in HK, their population was largely increased, which in turn expanded their power. Some Eurasians became successful business people in HK, strengthening their influence in society. This pushed the Government to gradually

pay attention to their interests, which in the end was reflected in the social status of the Chinese community.

In another dimension, the working class also played an important part in the rise of the Chinese in the Government hierarchy. The Colonial Government represented the interests of British merchants in HK and had put effort into creating a breeding ground for business activities since its establishment. After the 1850s, a great deal of foreign capital flowed into HK, stimulating the development of local industries. At the same time, this attracted a large number of Chinese, who were mainly artisans from Canton (Endacott, 1962). Along with the enlargement of the Chinese population, so too grew the sense of and demand for collective action to protect and pursue their own interests. It was recorded that the early history of Colonial HK could be summarised as the history of how the local Chinese working class learned to ensure their own benefit (Carroll, 2007). This urged the Colonial Government not to keep ignoring the Chinese workers' interest, but to increase Chinese status in the Colony. Once the Chinese improved their image in society, it gave their nationals a chance to change their situation in the Colonial Government.

Since social context has a constitutive influence on the production and reception of the symbolic form, to further refine this process, it can be argued that it also institutively influences the way the symbolic forms are received and understood (Thompson, 1990). In general, the producer of symbolic forms also acts as a recipient, due to the fact that a symbol's production relies on the individual integrating the perception of daily praxis with pre-established ones, which possibly emanate from a person's historical experiences, or from others in a higher position of the social structure. Irrespective of the origins, reception and understanding in general is not passive, but creative. For recipients, they need the symbolic forms to make sense, and then these forms can be

adapted and further applied in their lives. Simultaneously, the symbolic forms obtain more meaning in the recipients' practices, as the process of understanding is actually the process of how ideas participate and influence practices through the symbolic pattern. In this process, the recipients interpret and adapt the symbols based on his/her condition, and thus the process includes the step of mediation. When new ideas or symbols successfully connect with pre-existing cognition, mediation achieves a relatively stable result — this is the synthesis that occurs when a relatively balanced consequence of thesis and antithesis is achieved. Figure 17 integrates the triadic structure of synthesis (MacDonald, 1968) with the process of symbolic re-production, explaining the connection of these two logics. Therefore, it can be understood that the procedure of reception and understanding is also the procedure of re-production, and that individuals interpret symbolic forms based on existing perception and achieve symbolic re-production in everyday praxis, which in turn shapes the social context.
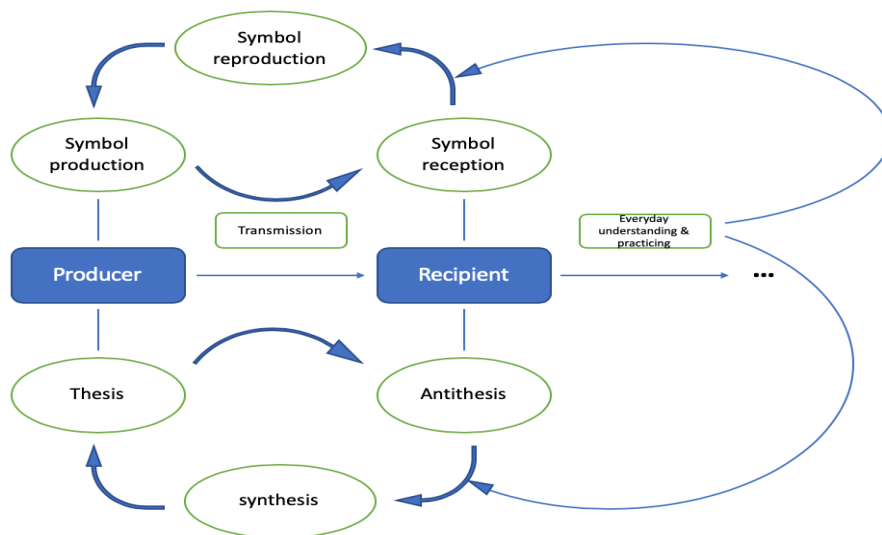

Figure 17 Social context re-production and symbolic production, reception, re-production, circulation

In a nutshell, the image of the Chinese experienced a long process of change under the colonial rule of the British. Under the conditions of two different cultures being integrated, the change in Chinese status was driven by the growth in power of the

Chinese community, including the Eurasian and working class. It cannot be said that the attitude of the British to Chinese was transformed in depth by the 1880s. The promotion of the Chinese in the HK Government was very limited (even the first Chinese member in the Legislative Council was temporary) (Carroll, 2007), but along with the acceptance and learning of Western culture, the new look of the new generation, and the softening attitudes that brought about, showed signs and potential for the rise of Chinese staff in the Colonial Government in later times.

7.5 Conclusion

This section mainly analysed the reasons hidden behind the ethnocentric staffing practice in the British HK Colonial Government during the early phase; explaining why the British and Europeans (non-British) held the top and middle levels in the national hierarchy, whilst the Chinese and other TCNs (non-European), on the contrary, remained at the bottom. Essentially speaking, what is implied by the phenomenon is neither pure discrimination nor bias but actually cultural difference. In fact, the recruiting approach was very close to the homosocial reproduction approach, which counts culture distance as the most important factor when choosing or promoting staff. Now that the nature of the staffing method has been revealed, we can see that promotion of Chinese staff within the Government to a large degree relied on the decrease of cultural distance, which was brought about by educational activities as well as long-term association and communication. Hence, the conclusion can be drawn that Chinese status in the HK Government had good potential to be promoted in later years of operation.

Chapter 8 Reason analysis 1880s – 1930s

8.1 Introduction

Following the previous chapter, which elaborated on the reasons why the British HK Colonial Government adopted the staffing practices that it did in its initial phase, this section will focus on the period from the 1880s up to the Japanese occupation, exploring the details and influencing factors of any changes in the Government's recruiting practices. Generally speaking, this period is characterised by noteworthy growth. Whilst maintaining the ethnocentric staffing approach, changes in the organisation mainly entailed significant extension of the employee population, as well as improvements to and creation of new government departments. Other changes were also evident: for instance, the employee percentages of the British, non-British European, and non-European TCNs all dropped, whereas Chinese staff percentages showed a massive increase. In theory, these transformations are not surprising. Existing research into the course of a multinational's development indicates that a firm or organisation's internationalisation process does change in an "incremental manner", whether from the perspective of the steps and processes by which it is achieved (Johanson and Vahlne, 1977), or from the perspective of the multinational organisation's own life cycle (Kimberly and Miles, 1980; Cameron and Whetten, 1983). Thus, the dynamic is the nature of the multinational corporation and is often accompanied by a growth in the company's resources of various kinds, alongside knowledge and experience. In other words, by the development of comprehensive operational capacity and the maturation of the organisational pattern.

Regardless of the external environment's impact, changes in the organisation's internal landscape require the managers to dynamically adjust or change the IHRM according to its stage of growth. Given that the firm grows along with the establishment chain, recruitment orientation should change as well (Perlmutter, 1969; Kelly, 2001). It is explained that in the initial period, MNEs choose to play conservatively by applying the ethnocentric staffing method, which means they expatriate top managers from headquarters or fill important positions by recruiting employees from the home country. Newborn MNEs will benefit from this method because it offers firms a way to transfer their company culture and management style to subsidiaries abroad to make sure they move in the expected direction. With practice developing further, MNEs gain a certain knowledge and experience of operations in the local environment, then gain the confidence to adopt more local employees into the important positions and endow the local staff with more power and rights to participate in the decision-making process. This reduces costs and the massive workload involved in managing the expatriation process. The process of leaning gradually towards local hires is known as the polycentric recruiting approach. Eventually, when an international firm develops to a stage where they have a high degree of internationalisation and are backed by independent financial strength, they tend to move to the recruiting strategies identified as geocentric and regiocentric. These are based on geographical staffing scopes, which place more weight on the professional abilities of the employee rather than their nationality to acquire better strategic advantage. The above transformations track the theoretical development process of an MNE's staffing approach. However, as is argued, most international companies do not experience the whole process (Isidor, Schwens and Kabst, 2011). Some firms are born internationally and apply the polycentric method from the start and others experience leapfrogging that skips the middle steps

based on organisational conditions and needs. Therefore, what I think makes more sense is the logic and pattern of a recruitment strategy adjustment and transformation, rather than particular fixed paths that an international company should follow. So, from the perspective of its internal environment, the enlargement in recruitment numbers, the improvement in organisational structure and creation of new departments and the increase in representation of the local employees in the British HK Colonial Government, are coincident with the theory of organisational growth.

On the other hand, as is suggested by context study (Jackson and Schuler, 1995; Schuler, Budhwar and Florkowski, 2002), the HK Colonial Government, as a subsidiary of a multinational organisation, was inevitably impacted by external environmental elements. It is these elements that are the key points focused on in this chapter as it is argued that all facts are stages of a single process (Marcuse, 1993). A social phenomenon, such as the recruitment practice of the HK Colonial Government, not only possesses historical and social features, but also embodies knowers and doers, who constantly impose current environmental elements into the historical experience, simultaneously injecting the past into the present. Hence, social phenomena are consequences of social totality mediation (Adorno, 1967), possessing an historical characteristic, and are simultaneously contextualised. In the following pages, I will develop the discussion on the features and changes of the Colonial Government's recruitment practices during the research period, and expand on the practical significance of the numbers generated in the quantitative data analysis through referring to supplementary historical details and events, meanwhile discussing the reasons and rationality of the recruitment phenomena. The main part will be divided into four sections: firstly, I will focus on the phenomenon of and reasons behind the

overall staff recruitment scale, which experienced a sharp expansion during the time; following that, special effort will be put into exploring the improvement in the Chinese employees' circumstances, and a series of discussions will be unpacked to analyse its rationality; then the discussion of the changes in staffing practice will move to the salary perspective; at the end, the research will elaborate on how the recruitment adjustments happened in different governmental departments, paying particular attention to the recruiting situation for Chinese staff.

8.2 The increase of the Colonial Government employee scale

Before getting into the details of the recruitment adjustments, what is noteworthy is the overall transformation of the HK Colonial Government. Comparing the staff populations from 1885 and 1925, it is obvious that a significant increase occurred during the four-decade period: staff numbers counted by the research from 1925 are more than five times what they were in 1885. Theoretically, this (but not only this) identifies the Colonial Government as an organisation past its "birth stage" and entering into the subsequent "growth stage" (Kimberly and Miles, 1980; Miller and Friesen, 1984).

The major task of an organisation in its birth stage is to establish and form a "viable entity". Restricted by limited resource and capability, a firm's initial offering is often relatively small scale: a narrow scope of products or/and services. Such circumstances cause a large amount of new born companies to establish merely the basic departments and employees are required to cover more than one position, showing ambiguous segregation of duties. Early movers, in particular, face a local environment that is

highly unknown but less competitive. In the case of the HK Colonial Government, even though it possessed rich experience of ruling in many other colonies around the world before establishing the managing institution in HK, it faced a totally new market characterised by a hugely distinctive culture and social custom. As a result, there was very little existing referential experience and knowledge for a Western organisation operating in the Eastern social environment (Endacott, 1962; Carroll, 2007). These factors caused further high uncertainty for the Colonial Government. As suggested by the existing literature, firms tend to imitate successful practice from successful ventures in the same industry to reduce the risk of failure (Abrahamson and Rosenkopf, 1993; Haunschild and Miner, 1997). The practices of the HK Colonial Government followed this logic. It was a kind of spontaneous choice to duplicate the organisational patterns of other known cases to conquer the challenge caused by the barely known local market and environment, and the most reliable target for imitation at that moment would have been the administrative organisation and experience of the British home government in the previously-built colonies. Restricted information has the effect that decision-making largely relies on the owners' or managers' intuition (Su, Baird and Schoch, 2015), which was reflected in the early years of the HK Colonial Government in the way that the colonial governors were, to a large extent, left to manage on their own resources and information to set the policies for dealing with local affairs.

When firms pass their initial phase, they step into the growing phase, during which period they aim to rapidly obtain a larger footprint and develop a more complex and multifunctional organisational structure. This is what the Colonial Government was experiencing during the latter half of the research period. Different from the birth phase, the firm's goal in this stage is, in theory, to achieve rapid scale increase, resource

accumulation, and the establishment of a "functionally-based structure" (Miller and Friesen, 1984). As to the Colonial Government, an organisation purposely built to serve British trade development in East Asia, it was critical to strengthen its administrative capacity, which relied on well-organised institutional operation. Therefore, organisational growth was logically embodied in the formalisation and adjustment of its operational segments. For example, the need for an appropriate sanitary organisation is addressed in Mr. Chadwick's Report:

> *For the proper supervision of all these works (the remedial measures mentioned previously), to introduce habits of cleanliness, to detect and remedy evils, an organised sanitary staff is required, operating under the personal direction of responsible European officer ... (Chadwick, 1882, p. 5)*

Following such a request, the Sanitary Board was established in 1883 for dealing with public health and plague issues (Tang, 2015). It progress was described as chequered, owing to multiple adjustments of its seats and functions after it was formed. Further evidence of operational improvement is found in the few times the garrison was expanded, in the formation of new corps, as well as the establishment of a HK auxiliary flotilla, etc. (Endacott, 1959), which were carried out to respond to nervousness caused by the hostilities. Government departmental growth will be further discussed in a later section. However, what is apparent is the consequential effect of employee number enlargement, along with the establishment and adjustment of operational departments.

Apart from the natural employee expansion caused by the Government's organisational growth, the HK Colony also extended its boundaries in 1898 and obtained new territories. These were the measures it took to respond to the need to balance power among other European influences, such as Russia and France, who were keen to expand their power in the Far East, and further for the purpose of "*increased security against hostile*

incursion" (Des Vœux, 1903, p. 203). In earlier times, China had already been involved in hostilities with these European colonial powers. These affairs affected the stability of the HK Colony even though the battlefield was not located near HK. It was reported by the Colonial Defence Committee in London that the current colony's defensive capabilities should be discussed from the perspective of facing the other European intruders at that time, and it was agreed that there was very little pressure from the local Chinese community (Endacott, 1959). However, as to the work relating to the Chinese community, it was agreed that reorganising public security under British order was costly, as was pointed out by Governor Henry Arthur Blake in his report (Blake, 1900, p. 6):

> *The Police expense of the New Territory is also a heavy item, as armed robbery on land and sea is a very common offence, preventive patrol system is costly as compared with the somewhat drastic Chinese system of disregarding those local irregularities until they become intolerable ...*

All these factors and the increasing robberies and murders in the new territories required the enlargement of the military and Police Force (Zhiqiang, 2007; Wenhui, 2011). Even though, the main challenge that the new territories brought was believed to be the corresponding incremental administrative tasks rather than military missions. After the boundaries were extended, all government departments appeared to be enlarged, and even the Retrenchment Committee was unable to put forward any practical reduction suggestions under the particular circumstances.

When the 20th century arrived, the HK Colonial Government did have a peaceful social situation to manage, but were now facing various issues brought about by different events and elements, such as the heavy load of administrative work caused by a mass

migration influx (Lethbridge, 1978). The large numbers drifting into the HK Colony were seeking shelter to avoid chaos in the mainland, created by a series of political reforms and hostilities that China was involved in with the European powers. This worsened the social burden: these newcomers did not have loyalty to the HK Colony and the rapid population growth aggravated tensions around infrastructure issues that already needed improvement, such as accommodation, water supply, and public sanitation. Along with these influencing elements, the crime rate climbed (Endacott, 1959), a situation described by Governor Des Voeux as "*manifold evils attendant upon over-crowding*" (1903, p. 202). In addition, cases of the plague rose, which urgently drew the attention of the Government (Xiangyin, 2011). This sort of unrest suggests that the Colonial Government faced an increasing amount of work.

The aftermath of The Great War (1914-18) left the HK Colony with a range of social and financial problems to solve. Before the sudden pause engendered by the Colony falling into Japanese hands in 1941, which was the consequence of the Sino-Japanese war during the Second World War, it is suggested that HK was in constant constitutional and administrative development and expansion (Miners, 1997). Apart from the central administrative service departments experiencing many rounds of expansion and reorganisation, infrastructural projects relating to public sanitation, education, railway, water supply and so on, were always given special attention and effort. This generally explains the situation illustrated in earlier chapters devoted to data statistics: the total employee population of the Colonial Government puffed up dramatically after the 1880s, led particularly by increases in lower-level physical labour in the basic operational departments.

8.3 The Improvement of Chinese Employee Status

When looking into the changes in racial composition of the HK Colonial Government during the period, what draws most attention is the transformation in available roles for the indigenous Chinese in the organisation. It has already been discussed that, from the Government's establishment to the 1880s, the number and level of posts occupied by the Chinese did not show to advantage compared to other nationalities, in spite of the group's being the local labour resource and thus of the lowest recruitment cost and procedural difficulty. The recruitment of Chinese employees was strictly restricted for a combination of complex reasons, which led to the Chinese constituting a small group in the Colonial Government throughout the early period. However, the proportion of Chinese staff did show a rising trend, which, though it did not generate a qualitative change in their circumstances, did suggest that recruitment ideas were changing from ethnocentric to polycentric, in accordance with the general theory of organisation growth. As mentioned, the role that Chinese staff played in the Colonial Government experienced change in and after the 1880s, which can be prominently seen in the significant changes to the Chinese employee ratio across all nationalities after the constant growth of the previous period. At that point, the Chinese represented not only the majority of both the total workforce and the lower physical labour position grades, but also impressively the main body of the middle administrative position grade as well. The existence of these phenomena proves that the Colonial Government had opened up more opportunities for the local Chinese, implying that the corresponding recruiting strategy had been adjusted.

This section puts special effort into discussing the reasons and rationalities behind such recruiting adjustments. Because it was the British who possessed the power and directly caused the changes in this specific case, the discussion will be developed from the British perspective. The analysis starts from digging the influencing factors from the social environment, which cannot be directly controlled by the Government, and then move to revealing subjective measures that the Government conducted to facilitate the transformations. To accurately understand the standpoints, it is worth mentioning that these two aspects are not isolated, because even the objective social environment was historically shaped by the Colonial Government's actions. The following elaborations separate the ideas into objective and subjective aspects to distinguish the influencing factors that applied in the British decision-making process between those from the inside of the dominant hierarchy and those from the outside.

8.3.1 The Objective Influences

As mentioned previously, for multiple reasons, a large population immigrated to the HK Colony from the 1880s until the Japanese occupation, which caused a degree of difficulty for the administrative managers of the colonial authority. As a matter of fact, for the whole period of British colonial rule in HK, and before the Japanese takeover, HK's population persistently grew, apart from some transient drops caused by incidents. Also, it should be noted that rather than a natural increase, HK's population growth was mainly due to the influx of Chinese from mainland China. According to the statistics, at the end of the 19th century, HK had about 360,000 residents, and this became 1.64 million by 1941: therefore, HK had one of the quickest population increases and the greatest population density in Asia (Davis, 1949; Zhang, 2003; Lan,

2010). In the meantime, even though HK was the gathering place of multiple ethnicities and nationalities, the Chinese from beginning to end formed the principle constituent part of the total population (Lan, 2010), accounting for around 97% of the total (Xu, 1993a). Especially in the later phase of the period, the change in ratio of Chinese to foreign residents was more dramatic and is shown in Table 90. The constant increase in Chinese residents and thus their percentage of the total HK population set the stage for the Chinese to play an increasingly significant role in the Colonial Government and therefore have a louder voice in the Colony.

Year	1881	1891	1901	1941
Chinese	97.3	96.8	96.7	98.5
Foreigner	2.7	3.2	3.3	1.5
Total	100	100	100	100

Table 90 Population ratio in HK (%) (Xu, 1993a; Jarman, 1996)

It has been explained that the population influx created stresses and challenges to infrastructure and the Colonial Government's rule. As any coin has two sides, the population growth simultaneously had positive impacts on the colony. Population is any society's basis and starting point, and the constant development of it resulted in the growth of finance and trade. This is proved by historical record, which holds that the financial condition of the HK Colony became more healthy during the period of rule of Governor Hennessy, who thoroughly adopted a pro-Chinese attitude and policies and stimulated a big wave of Chinese movement from the mainland to HK (Endacott, 1959). Rich and respectable Chinese were also among those immigrating to the Colony, partially due to the chaotic environment of the mainland, as was stated by Governor Henry A. Blake in his 1900 HK Annual Report (Blake, 1900, p. 4):

> *... on the outbreak of active hostilities the entire trade of China was affected ... the movement (a rebellious movement in September) created considerable uneasiness in the district around Canton, one result of which was the transfer of a large amount of Chinese money to HK for investment under the protection of the British flag.*

This not only enhanced the Colony's trade growth; it also greatly enlarged the influence of the Chinese community. From the perspective of the British and other Europeans who were in more powerful positions, this was the group of Chinese that were much easier to accept and to deal with. Therefore, in most cases, they represented the Chinese community's interests during intercourse with the Government and other nationals, behaved as the pioneers of their group, and also played a significant part in facilitating Chinese business development. One famous case of a Chinese business at that time was the establishment of the China Merchants Steam Navigation Company in 1874. Its establishment was especially meaningful because it was the first Chinese modern corporation and thus was a trial of a hybrid business model undertaken by the Chinese government and merchants for the purpose of competing with Western firms and capturing coastal trade (Lai, 1994). Many other similar firms that cooperated with or were supported by the Chinese government emerged following this first step. In addition, Chinese businessmen also found other opportunities to acquire the Western markets by buying Chinese goods and then sailing them to Western customers at a cheaper price than that of the other foreign firms in the HK colony, while some other businesspeople worked for the foreign firms as compradors. No matter which kind, they were at an advantage owing to their competitive prices and/or better knowledge of the local environment. These business activities not only directly caused a decrease in European business, but also offered beneficial soil for the growth of the Chinese small- and medium-sized companies (Endacott, 1959; Abe, 2017).

The development of business trade between China and European countries stimulated the growth of HK's main industry, shipbuilding. At the same time, to reduce the impact of dollar fluctuation on good imports and achieve a higher level of independence for the HK colony, the Colonial Government seldom acted to interrupt, but adopted a positive attitude towards local industry activities. It is recorded that before the Second World War, shipbuilding was the only significant industry in HK but there was still considerable growth in other manufacturing industries (Bedikton Company, 1935; Ngo, 1996). It was mentioned in one of Governor Robinson's farewell speeches in 1897 that many manufacturing developments such as those in kerosene oil depots, feather dressing, match factories, soap, coal, sugar, and more had occurred (Endacott, 1959). Another new development in the 20th century can be found in the 1930 HK Administrative Report, which stated that industries such as shipbuilding, fishing, mining etc. had been positively grown under the category of "production"; while the growth of sugar refining, hosiery, rope making, etc. could be seen under the category of "manufactures" (Jarman, 1996). A prominent impact of the local industrial developments on society was its large absorption of labour force: in 1939, the textile industry employed 5,867 staff in HK; and the oldest and the most developed shipbuilders employed about 16,000 Chinese and 280 Europeans (Endacott, 1959). It was in this period that HK's industrial growth sprang forward, which was one of the important factors behind the previously mentioned influx of immigrants (Xu, 1993a). The former factor was the attraction, while the latter was the driving force, and both caused the local society to take a step toward the approach of modernisation.

Whether it was the development of trade in HK, or industrial growth resulting in a large labour force becoming engaged in the factories, but the Chinese were now positively

endowed with owned wealth and value within the Colony. This was proved by growing numbers of the Chinese moving to buy up massive amounts of property and land, especially as they acquired many of these from the Europeans. During pro-Chinese Governor Hennessy's rule, he eased restrictions on location of Chinese residences and allowed them to extend their living areas from the east and west out into the central district, which for a very long time had been occupied by the Europeans (Nissim, 2012). Under such circumstances, alongside the downturn faced by the European firms at that time due to Chinese competition that caused their general financial situation to decline, the local people had an opportunity to obtain European properties and lands. Based on reports from January 1880 to May 1881 alone, the property and land bought by the Chinese from the foreigners valued about $1.71 million, and from the Government valued about $17,705. The Chinese community came to be the largest property owners and ratepayers in HK, as was reported by Sir John Pope Hennessy in 1881 (Endacott, 1959, p. 195):

> *... there were eighteen ratepayers having property rated at or over $1,000 per quarter, seventeen were Chinese and the remaining one was the largest British merchant house, Jardine, Matheson.*

Accordingly, in early 1882, it was already recorded that the Chinese community made up 90% of the colonial revenue and contributed in remarkable part to the Colony's prosperity, which strongly reflects that the Chinese were gaining an increasingly significant position in the Colony from a financial perspective. As said by Lord Ripon, who was the Secretary for the Colonies and formerly the viceroy of India:

> *... under the protection of the British Government, HK had become a Chinese rather than a British community ... and Chinese settlement ... has been one main element in its prosperity. (General Correspondence: HK, 1894, pp. 175-93)*

Due to this, Lord Ripon was not willing to stand for any representations that excluded the Chinese. Furthermore, giving preferential treatment to the Europeans also held concerns now considering that the Chinese would ask for similar conditions (Carroll, 2007). Owing to their stronger economic strength and the boost in population, the Chinese were already an ethnic group that could not be neglected and played a principal role in the HK Colony. Financial power also endowed the Chinese with stronger discourse power when associating with other ethnic groups, as well as more weight and ability in conversations with the Europeans.

The expansion of the Chinese community and its stronger discourse power laid a strong base from which the struggle to protect their interests could be fought. This does not necessarily lead directly to change, but it does require a certain awareness as the impetus to make change happen. Two classes, the Chinese bourgeoisie and the working class, were born, alongside the development of HK business and industries (Xu, 1993b; Ming K. Chan and Young, 2015). Strictly speaking, they did not belong to the same hierarchy stratum, but as they shared the circumstance of facing foreign power, they stood on the same battle line and shared the same targets: those who were at the top of the hierarchy pyramid in local society.

The HK bourgeoisie was mostly formed of businessmen and professionals (Carroll, 2007). From the end of the 1880s to the early 1900s, they possessed a decent level of wealth and controlled the major business activities. After the turn of the century, their

economic strength and social status was strengthened due to the emergence of new bankers, retailers, industrialists, etc., and they demonstrated increasing influence and cohesiveness owing to the organisation of close connections between individuals, which can be seen through the rise of organisations such as the Chinese Chamber of Commerce that stood for the interests of businessmen and capitalists. They normally attempted to build direct dialogues with the Colonial Government by acquiring seats as Council members (Endacott, 1959), so as to improve their own social condition by participating in the formulation and implementation of policies.

On the other hand, industrial factories hired a large number of labourers, which provoked the generation and growth of the HK working class. These labourers were mainly immigrants, recruited by the European and wealthy Chinese to deal with production or physical activities that entailed low technical know-how. Within this group, the coolies generally earned a very restricted income, and it is not surprising to find that their living conditions were extremely tough, while the industrial workers had relatively better treatment. However, because labour supply often exceeded demand, the recruiters had the advantage and hence the power to restrain workers' treatment. What sharpened the situation was the Colonial Government's non-support policy. The Government did not represent the local labour's interests and therefore not only did they not defend Chinese labour, but, further, attempted to take advantage of the cheap labour force for their own gain, which put even more stress on the workers' shoulders (Endacott, 1959). All these conditions resulted in the working class urgently requiring improvement in their social status and living conditions. To achieve this, the most often-utilised method was holding strikes (Carroll, 2007; Ming K. Chan and Young, 2015), therefore exerting pressure on the employer or the Government to agree to their

conditions, and improve their economic and political status. The Chinese workers' struggle for better conditions was fought in every industry. Originally, the strikes were restricted to within their own industry and stayed that way until the 1884 anti-French strike. This is identified as the first strike that broke the industry boundaries and gathered the whole working class into a union, irrespective of industry focus. Thus it is generally agreed by Chinese historians that this event marks the beginning of the awakening of the Chinese working class (Immanuel, 1995; Xiao, 2013).

The strikes affected HK's trade activities. This can be proved by the evidence that, threatened by the 1925-26 boycott, which was one of the worst cases of strike turbulence, the imports from China during 1921 to 1931 stayed at the same levels, but a sharp drop from $432.6 million to $243 million occurred in the exports to China, suggesting that British trade with China through HK largely decreased (Endacott, 1959). It indicates that the agglomerated Chinese workers possessed considerable power to affect British and other European communities' profits, and therefore required reasonable attention from the Colonial ruling class. The British authority was aware of the situation that lofty British influencing power and privilege was reducing over time, and this can be reflected by Mr. Granville Sharp's complaint at the public meeting in the City Hall that "*When I first came to HK every Chinese coolie doffed his cap and stood on one side to allow you to pass. When do you see a coolie do that now?*" (The Daily Press, HK, 1895, p. 31) From the Chinese perspective, the burning desire to improve their living conditions drove them to find a way to make their voice and wishes heard, and collecting power by uniting together was the path that they explored in these particular circumstances. Their unification was accelerated by growing nationalism (Xu, 1993b). This was no longer limited to the working class, but was generalised throughout the Chinese

community as they claimed the right to be treated equally with other foreign powers and nationals (Endacott, 1959). Such pressure forced the Colonial Government to rethink the local social environment and to admit that HK was a society of Chinese rather than British (Carroll, 2007). Consequently, entertaining the appeals of the Chinese community was crucial going forward.

8.3.2 The Subjective Measures

Transformation of HK Colonial Government policy and attitude toward the Chinese

The changes and transformations taking place in the social environment provide a significant backdrop for the government's policy formulation. The HK Colonial Government made adjustments aimed at fitting its operation to the dynamic social conditions, thereby offering effective shelter and support for business trade and ultimately serving British interests. In this section, I will demonstrate, from the Government's perspective, how its policies and performance affected the improvement of the Chinese community's social status, regardless of whether it was intentional or unintentional.

Beyond colonial HK, looking at the situation from a macro-environmental perspective, a far-reaching influencing factor was at play, namely the development and change of social legislation and liberalism in Britain. In 19th-century Britain, the privileged class was facing an incisive challenge: a new social order, endowing citizens with voting rights, was increasingly being accepted and admitted by the public (Endacott, 1959). The ideas of anti-privilege and supporting equality were reinforced by a variety of Reform Acts such those that happened in 1832, 1867, 1884-85 (Herrick, 1944). Related

theory and social reform developed persistently until, in the early twentieth century, social institutional structure underwent a profound rebuild, alongside a systematic transformation of the social legislation so that it defended social equality (Herrick, 1944). These indigenous political and social revolutions made Britain a pioneer of the modern "welfare state", hence raising a wave of social-reform in other states and regions outside Britain (Shola *et al.*, 1984). As a consequence, the core spirit spilled over at a certain level and affected colonial ruling practice in HK (Endacott, 1959). Colonial behaviour in fact is inconsistent with the abovementioned spirit, and it is not hard to find the contradiction between colonialism and liberalism in colonial policy and practice. Hence, it is possible to recognise that the fact the HK Colonial Government launched policies which improved the Chinese community's plight was based on a certain ideological foundation. It can be considered as a sort of outcome or synthesis of the dialectical process which took place between a thesis and antithesis pairing, that is, colonialism and liberalism.

Policy formation in the Colonial Government over time depicts its changing attitude towards the local Chinese. This, in turn, accelerated the process of Chinese social status improvement. When talking about the measures taken by the Colonial Government to raise Chinese social status, I shall begin with the arrangement of its own personnel. The great gap between the British/Europeans and the locals to a very large extent was generated and deepened by the gap in cultural understanding and communication (Bray and Lee, 1993; Munn, 2013). For a long time post the establishment of the Colonial Government, it is recorded that very few officials obtained Chinese language abilities (Endacott, 1959), and unfortunately, as very few Chinese knew English either, they did not possess the capacity to bridge the gap (Xiao, 2013). It caused a severe lack of

communication between the communities and interpreting tasks largely relied on other Europeans like the Portuguese. Along with the growing pressure placed on the Government to correctly transfer information between the Chinese and European communities, a special project to recruit high-position officers named the "cadet scheme" was launched during Governor Robinson's tenure. Through this, the Home Government and Colonial Government expected to train a group of officers who could speak and write Chinese and could understand local social structure, to be placed in important managerial positions (Lethbridge, 1978). During the period 1862-1941, a total of 85 cadets passed the scheme and were hired as HK civil servants. This was not a big number, but acted as an important resource for the apex employees of the Government. This indicated that the ruler of the HK Colony perceived the significance of understanding local culture and building discourse between communities to effectively and smoothly complete administrative management tasks. As a result, they put adjustment and effort into managing internal human resource. These moves not only embodied, but also stimulated, changes to the widely and deeply-rooted inelastic behaviour patterns that had resulted from the extreme ethnocentrism in the initial stages of colonial rule, proving the willingness of the Colonial Government to construct communication and understanding between the Chinese and British communities. Whether this transformation was a result of British intention or was forced by circumstance, it nevertheless built up much-needed respect for Chinese culture and empowered the improvement of the Chinese community's social status.

Sir John Pope Hennessy is the person most mentioned when discussing Chinese social status improvement in Colonial HK. He was a Colonial Governor whose term of office stretched from 1877 to 1882. His friendliness toward the Chinese community was

totally unprecedented. Simultaneously, his belief in and practice of the principle of equal treatment was ahead of his time, to the extent that his colleagues and even successors found it difficult to accept. Aware that the Chinese community had been pushed to the edges of the region's residential areas, he allowed the Chinese to move into the European residential district and thus break the segregation of communities. He was the first to appoint a Chinese person as a Legislative Council member to represent the "wealthy and better Chinese", initiating a breakthrough in improving Chinese power and status. He attempted to reorganise all administrative arrangements to serve the Chinese, which unfortunately was refused by the British Government at home (Endacott, 1959; Eitel, 1983; Tsang, 2004). In contrast to other governors who showed concern for the Chinese, but only the rich ones, his caring also encompassed the poor. Some evidence of this was included in Endacott's (1959) book:

> *He (Sir John Pope Hennessy) wanted baths and wash-houses for poor Chinese; he opened the lower government posts to competition; and he objected to the practice which had grown up of giving Chinese government employees gratuities instead of pensions on the same basis as the others…*

Eventually, he influenced practical change in living conditions for Chinese residents, both the rich and the poor. If we say the attitudes of other Governors to the Chinese were the responses to social situations and facts, Governor Hennessy chose his respectful attitude out of his own belief in equality and human rights (Eitel, 1983). He put special effort into instituting enlightened policies that put into practice his proposition of non-discrimination between races and positively changed the social realities. However, his radical attitude brought him and his policies severe troubles (Endacott, 1959). It caused disapproval and backlash from the European groups, but in

the long run, ultimately provoked cultural integration and the formation of HK's unique social context.

As just mentioned, during Governor Hennessy's term, the Legislative Council offered its first seat to a Chinese: Ng Chow. This represented the first time that the Chinese community's interests were directly and officially represented in the Colony (Carroll, 2007). After this, the Chinese community, especially the rich and reputable Chinese, worked to obtain more official seats in Council or other institutions to enhance their right of speech and social influence. After Ng Chow finished his term of office in 1883, a successor by the name of Wong Shing, "*fully qualified to look at Chinese affairs with English eyes and at English affairs with Chinese eyes*"(Endacott, 1959, p. 205), became the second Chinese to be hired. From them on, at least one Chinese unofficial member was always kept in the Legislative Council, followed by an expansion in numbers after 1896 (Endacott, 1982; Tsang, 2004; M. K. Chan and Young, 2015). Even though they were not the majority of the Council, they played important roles in decision-making and placed pressure on the European groups. Another example is found in the Sanitary Board, which was founded in the early 1880s to deal with the urgent task of public works. In 1886, Dr. Ho Kai was named as an additional Chinese unofficial member. The Sanitary Board was reorganised by a Public Health Ordinance in 1887. As a consequence, two additional Chinese members were promoted, plus another two members elected by ratepayers (Endacott, 1959). This was of great significance because, for the first time, elections were not confined to British nationals in the Colony, endowing the local wealthy people with opportunities to participate in the decision-making that closely related to their social lives. In a sense they acted as pioneers on the path of pursuing equal treatment for the Chinese community. For example, in 1894, a

petition requiring constitutional change was made to the Secretary of State by ratepayers led by Whitehead, Chater, Jackson and Ho Kai, saying that what they similarly wanted was (Endacott, 1959, p. 224): "*… the common right of Englishmen to manage their local affairs and control the expenditure of the colony where imperial considerations are not involved*".

The Sanitary Board had a long argument regarding the establishment of the Municipal Council. Its creation was not passed until the Japanese occupation of the Colony. This long delay was owing to the consideration that the British ratepayer only constituted a minor part of the total. Given the tiny amount of 83 British ratepayers versus the 647 Chinese in 1885, it was a huge concern whether any British would be elected. The consequences of that would very likely have been that public works would have faced huge challenge, given the large disconnect in understanding that existed between the British and Chinese (Endacott, 1959). The fact that the Municipal Council would have had wide self-governing power, which in turn would have impacted public works plans, was not what the Government or the European community were willing to see. Generally speaking, the Colonial Government was reluctant to empower the Chinese community but had to adapt and adjust to the reality of social dynamics, and eventually endowed them with a certain degree of power and rights. This not only evidenced the strengthening of Chinese power, but drove it to further development.

School and higher education development

The development of HK's education sector went through a winding but far-reaching process under the support of the Colonial Government (Sweeting and Vickers, 2007). As was mentioned in the analysis of earlier periods that the start of modern education

in HK was inseparable from missionary activities and largely depended on voluntary action (Eitel, 1983). In general, it was a persistent tenet that the British Government at home would leave the issue for the Colonial Government to act according to circumstance, as long as the expenditure was controlled in a bearable range (Luo, 2014). Therefore, for a very long time, which can even be said to span the whole period leading up to Japanese occupation, the Colonial Government was in constant state of trial and error, attempting to form an education system that was suitable and acceptable to the local society, but that also combined the scientific knowledge commonly taught in the West but widely divergent to that of traditional Chinese education. In this period of time, regardless of the financial retrenchment caused by the extensive costs relating to defence, military pressure, and plague, which resulted in interruption to education and brought further slowdown to the process (especially in the late 1880s to 1890s), the colonial authority nevertheless kept up its efforts and education growth was still visible. As quoted in Endacott's book (1959, p. 228):

> *I regret that the number of children in school is not increasing in proportion to the population and I trust that renewed attention will be given to augmenting the number of children on the school rolls. – Lord Knutsford to the acting Governor, 1 September 1891.*

If we take the numbers of schools and students as one of the criteria that indicate the development of education, there were initially 30 government schools and 41 grant-in-aid schools with 5,200 pupils in total. This became 663 schools throughout urban and rural areas with 28,665 pupils by 1923 (Endacott, 1959). Higher education started to be developed in the 1880s. For example, suggestions for the Victoria College to be built date back to the 1880s, based on the Central School that had opened in 1862, and it was finally established in 1889. It marked a more advanced standard of education

than had previously been available within the colony. In 1894 its name was changed to Queen's College. Another example can be found in the establishment of the College of Medicine in 1887. Most importantly, the HK University was opened in 1912, which is a significant event in HK's educational history. It was also stated in the annual report of 1910 that the revenue derived from school fees was "rapidly increasing", which is "mainly to be accounted for by the increasing numbers of Chinese desirous of an English education" (Lugard, 1910, p. 14). All of these are seen as evidence suggesting that the Colonial Government's contribution towards HK's modern educational development cannot go unnoticed.

Although educational development did not have any pause in that period, the argument as to whether the Colonial Government should pay for the colony's education was never silenced. Some people felt that the Colonial Government had no responsibility to develop local education to benefit the Chinese, and even that it should never be a concern for a colonist at all (Endacott, 1959) – especially considering its heavy cost. These were real, as evidenced by a report from 1905 that details the total revenue derived by the Government from school fees was $41,170.50, against a figure of $158,677.58 in expenditure, thus recouping only 2.28% of total expenditure (Nathan, 1905, p. 13). So, the question of "why bother" was not asked without reason. However, the decision-makers did not consider working on education as an investment that purely serviced the locals. In the initial plan, developing education aimed to benefit the British financially by supplying legitimate candidates for filling Government posts from local society rather than expatriating from Britain. On the other hand, it was a way to strengthen British influence in HK from the cultural and social life perspectives (Sweeting and Vickers, 2007).

It is known that in the early stage of colonial rule, especially before the 1880s, the Colonial Government hired British and other Europeans as a dramatically large percentage of its total employees. This was a necessary measure in order to kickstart its operations in a barely-known location. However, the resulting costs and complex relocation process urged the Colonial Government to seek more local labour when conditions allowed, which policy was also urged by the Retrenchment Committee multiple times. Hence, ensuring the Chinese acquired the relevant capabilities to complete the jobs was a significant step toward scaling up Chinese employment. Such intent was reflected by the establishment of the Normal School in 1881 for local teacher training, as well the College of Medicine in 1887, aimed at cultivating local medical practitioners (Endacott, 1959). Besides these, there is evidence suggesting that education was applied by the authorities as a tool to support and propagate the implementation of their policies and rules (Freire, 1973). For example, as will be discussed in a later section, due to the prejudice of local medical traditions, the Colonial Government faced severe difficulties in carrying out Western-style sanitary measures, which constituted a significant part of curing the annually-occurring plague (Endacott, 1959; Xiangyin, 2011). The Colonial Government made hygiene a compulsory subject in school, and it was taught with satisfactory results in all Government and Grant Schools in 1905 (Nathan, 1905, p. 13). It is difficult not to relate this school movement with the British authority's intention to diffuse Western sanitary knowledge. On one side, it directly promoted the Government's rules, on another it facilitated and strengthened the progress of British imperialist influence in HK Colony.

While education was developing under the Government's direction and support, the ruling hierarchy's promotion of English use among local residents was another important mission. Governor Hennessy hugely respected Chinese culture and tradition, but perhaps contradictory to that was his endeavour to build an English-speaking Chinese community. His successors also placed generalising English usage as one of their priority tasks. In addition, many government aid opportunities and projects took English teaching as a criteria for grants (Boyle, 1997). Communicability through language is the premise of understanding among all cultures and lifestyles, providing the possibility that different racial groups can get along in a social unit. There is no need to highlight again that the language barrier had caused various difficulties in formulating, executing, or conveying policy in the early stages of colonial rule. HK at that time was a society shrouded by colonialism, wherein the ethnocentric British held absolute privilege alongside the relatively highly placed Europeans who occupied this higher class due to their greater cultural similarity to the British. In contrast, the Chinese were pushed to the bottom of the social hierarchy. Such a situation formed a split in social class based on ethnic units and language interruption was a noteworthy factor that consolidated the detachment between the groups. So, strengthening communication and understanding through education and spreading English usage was a basic way to build a harmonious and conflict-free society.

The Government was aware of the break between racial groups and education as a restorative function was approved by the dominators, as reported in 1887 (quoted from Endacott, 1959):

All schools in Victoria tended to take pupils of any nationality as part of the effort to remove unnatural distinctions of race and creed and as a force against "the unbridged chasms" that existed between the races.

The Government's efforts in allowing school entrance to students without nationality restriction was a method to eliminate unnatural racial differentiation (Endacott, 1959). Meanwhile, apart from the Central School and other middle-class schools claiming fees, most of the government and grant-in-aid schools were opened for free. To some extent, this helped the children of school age to take part in education no matter their class, which in that particular social circumstance meant reducing the impact of difference in nationality. As time went by and progress was made, local people got used to and accepted the Western elements blended into education to a higher degree, with the result that not only were qualified personnel produced that were capable of undertaking some tasks in the Government, but also, from a general social perspective, Chinese self-cognition, modes of thinking and behavioural habits etc at some level were all shaped more or less after those of the Europeans. In this sense, it is believed that taking up Western education positively affected Chinese social status and life conditions in the society dominated by the British and other Europeans. One case found to prove such a viewpoint is that in 1884, Governor Bowen announced that 12 pupils of the Central School were invited to fill positions in the Chinese Imperial Service, which caused the Central School to enjoy a very high status in China (Endacott, 1959). This suggests that the public saw being involved in the government as improving their lives. Apart from the benefits to material living, it was recognised as the opportunity to keep in contact with the high class, thereby improving one's own social identity and status by obtaining a closer connection with them.

The above phenomenon gives expression to the view that a certain level of approval had been achieved in Chinese eyes; that receiving a British-style education was now seen as a worthy way to advance their social status and treatment in the 1880s. So, the subsequent impetus in school development reveals a growing degree of popularity and approbation. Obviously, the characteristics of Chinese traditional education and Western modern education were widely divergent. It cannot be ignored that the process of the British pushing Western-style schooling experienced many hindrances and setbacks, which were specifically caused by over-radical reformation and lack of consideration of the local customs (Endacott, 1959). However, this did not change the overall tendency towards educational modernisation. Later education gradually included more modern science contents such as medicine, engineering, etc. that were never touched upon in traditional Chinese schooling. In particular, higher education, as reported in the 1910 annual report (Lugard, 1910, p. 14), was represented by the Technical Institute including the relevant subjects of mathematics, machine drawing, building construction, field surveying, chemistry and physics, and the English and French languages, etc.

From the viewpoint of the ruler of a society, the British colonist in the particular case of the HK Colony, education is a powerful instrument with which to disseminate their cultural dogma, In HK, this process was deemed an advancement of the subordinate Chinese community. For example, Governor Bowen, defending against criticism of the educational development policy, explained that the purpose of it was not only to save costs by replacing expatriates from Britain, but more importantly to strengthen English influence in the colony: in a deeper sense, to "silence" local culture so as to achieve stable control over the inferior Chinese community. The privileged political status of the British endowed them with power, enabling them to impose their own will on the

colonised locals and further, to re-classify Chinese residents' subordinate position in society. Through educational content and pattern, colonial education attempted to shape and consolidate the locals into individuals who would serve the ideal social relationship and hierarchy.

By contrast, for the Chinese, on the disadvantaged side of the balance of power, two options were evidently available to them for dealing with the situation: fight it or adapt to it. Indeed, there were those who chose the first path, but the unique historical events taking place coupled with their very poor levels of power, wealth and status made claiming any dominant position in a short period less than likely. The endeavour barely achieved a qualitative breakthrough, but was more focused on optimising their treatment in a quantitative dimension, such as the occurrence of strikes and boycotts by Chinese labours (Xu, 1993b; Carroll, 2007). As a matter of fact, the primary goal for the majority of Chinese at that time was survival, so rather than fight against the power, it was easier to choose the other path and adapt to the social system formulated by the dominators. From a psychological aspect, individuals in oppressed positions are more perceptive and sensitive than those in power. They can then sense the situation and underlying transformations, allowing them to cope and survive (Miller, 1986). Colonial operations came as a shock to the Chinese residents as, for a long period, they had not been connected to the outside world. Ruled by the totally unfamiliar colonial system, their social situation was badly hit by racial segregation policies, effective bidirectional communication was choked and the Chinese were severely depressed. Influenced by such morbid circumstances, it was hard for the Chinese to adopt a clear and objective view to appraise the social relationships in which they were involved (Hanna, Talley and Guindon, 2000), so they only chose to get close to the British rulers.

The Chinese, as the oppressed, could in theory perceive things more sensitively, which should have accelerated their learning, facilitated behaviours of imitation and made it easy to start adapting. In the 1880s, the Chinese residents were allowed to move into the residential areas that had originally been occupied by the Europeans (Endacott, 1959). More chances of coming into contact with Europeans meant the Chinese started to have some opportunities to look more closely at the lifestyle of the higher class. In addition, receiving a modern education made a breakthrough in the Chinese condition, providing them with the prospect of moving toward the high status hierarchy and being accepted by them.

It is thus reasonable to say that education, in British eyes, was the instrument by which to consolidate their colonial control, whilst for the Chinese it was a path to redefine their identity, achieving a more positive position in the social relationship and thereby improving their social circumstance. Strong performers in the remoulding process would be given advanced seats in the colonial mechanism, consequently reclaiming corresponding power, wealth, and status. This caused their more complex circumstances to be characterised by a mixed identity (Reynolds and Pope, 1991): on one hand, this group of Chinese was oppressed by the colonists, but on the other, they were hired and empowered by the British thus, from this perspective, were detached from their original community, acquiring a level of oppressor-status in the view of the local populace.

Based on the above discussions, there are two views worth underlining. Firstly, it is clear that the Chinese community's social status obviously improved post the 1880s, which correspondingly endowed them with more social resources. The Colonial

Government prior to and following this launched a series of policies and measures that facilitated the Chinese group's growth and power acquisition, but it should be clarified that the intention of the British was never to share the power and resource. Rather, such a phenomenon should more appropriately be described as an attached objective outcome. From the perspective of the Colonial Government's own purpose, its policies without doubt were launched to serve British control of the local society. However, the changes that ensued inadvertently resulted in challenges to their privileged status. This situation built an interesting paradox, but ultimately did not change the fact that the Colonial Government represented and served British interests. Secondly, even though education achieved great progress over several decades, overall, education of the Chinese in HK was still at a low level, and its impact on the whole society was generally limited (IP, 1997). However, the situation in that period, should not be judged by modern eyes. It is more appropriate to measure it longitudinally, which means to look at its development compared to its original level. For this reason, it is recommended we not deny its value and influence. The development of British-style education did, to a certain extent, indoctrinate the local public with ideas that a modern scientific education was better than their traditional Chinese one. In a more far-reaching sense, the attempt and endeavour to develop a new education system generated significant experience and knowledge for its operations post the Japanese occupation.

In the case of the British HK Colonial Government, education development was one of the significant methods practiced by the Government to diffuse British culture and construct an understanding between the British and local people. It also was an important approach used by the British Government to implement cultural oppression in HK, reflecting the crucial impact of education on cultural construction (see Rhoads

and Valadez, 1996; Rhoads, 1999). On the one hand, education reflects the ruling ideology and culture in a given society; on the other hand, it structures the way students view *themselves*, including the identifications of self-race, -class, -status, etc., and hence generally affects social patterns and frameworks of social interaction among different groups. In HK, British culture was deemed as "advanced" and "civilised", and it was purposely set as the mainstream to be desired and aimed for by all people. HK educational institutions' responsibility was to socialise local students into the dominant culture. The educators in this circumstance provided little opportunity to alter the culture of the school – having students adopt British cultural values, cultivating "affected citizens", was the main goal of HK colonial education at that time.

Public health and infrastructure development

Public health and infrastructure works were a constant headache for the Colonial Government. The severe local sanitary conditions had been noted and complained about by the Europeans since the Government's establishment and, as early as the 1860s, the Sanitary Committee had underlined the urgency of working on these issues, followed by the introduction of related Acts which specified the necessary public health standards (Endacott, 1959). However, unfortunately, very little was actually done. It was not until the 1880s that constructive works took place (Tang, 1998), following which the local Chinese living standards and social status were somewhat improved.

Since the establishment of Colonial rule, the attitudes of the British and other Europeans toward the Chinese had been tangled: the British scorned and looked down upon the locals given their own privilege and strong imperial power, but these generally negative feelings were mingled with another strong emotion – fear - caused by

miserable public health standards that had such deadly consequences that the fear was thus way beyond sentiment but in fact, entirely physical. For example, as was reported in 1898, an epidemic began at the end of February and lasted for 27 weeks, seeing 1,080 cases with a mortality rate of 95.5%. This recurred the following year and lasted for 38 weeks and had worse consequences, with 1,428 cases reported with a 96.1% death rate (Blake, 1900, p. 5). It was also reported that the Europeans, including the British, had a high mortality rate in the HK Colony, and that wave-after-wave of breakouts of the plague caused visible consequences (Eitel, 1983): so badly threatening the Europeans that they were scared to touch the locals, as discussed previously. This was a significant factor that almost caused a complete fracture in communication between the European and Chinese communities. Regardless of official political policy, the Chinese living conditions were labelled as filthy, messy and nasty. Plus, unsurprisingly, regular breakouts of plague increased the emotional tendency of the British and other Europeans to intensively resist any contact with the Chinese. Chinese agglomeration areas often caused complaints and the Chinese residents were outspokenly called "filthy" and "insanitary" (Endacott, 1959). Therefore, even if we assume that the Colonial Government did not launch the segregation policies and even proposed racial integration at the start of its rule, it is very doubtful whether these policies were realistically likely to be achieved in that specific social environment.

The threat to public health put the task of racial integration in an almost impossible situation. Traditional Chinese patterns of residential building structure and infrastructure, such as the water supply and drainage systems, were all widely different to those in the Western social system, and their functions were of very limited help in reducing the catastrophic impact of the plagues, hence, the cry for change was incessantly heard. However, as long as the Chinese and European communities lived

apart and the Europeans were able to find a way to avoid touching the locals, the Colonial Government was less likely to be willing to invest and act on the sanitation needs. This unsurprisingly meant not a lot of effective measures were carried out in the early couple of decades (Eitel, 1983; Tang, 1998). According to such circumstances, the watershed of the transformation in sanitation and public works should be seen as closely related to the follow-through on the policies of mixing Chinese and European habitation. Chinese residents were initially allowed to move into the European occupied areas in Governor Hennessy's rule (Endacott, 1959), which indicated a new stage in social integration. At the same time, the improvement in the Chinese financial situation brought them stronger purchasing power. Multiple factors made it difficult to continuously restrict Chinese residents to a limited region, thus contact between the Chinese and foreigners was increased. Governor Hennessy, based on his beliefs of respecting indigenous culture and lifestyle, regardless of his colleagues' contrary opinions, decided to leave the issues to the Chinese themselves, believing that their long-standing living experience and traditional sanitation system could minimise sanitary danger. However, he ignored the overcrowding problem which was caused by a great population influx from the mainland, which had already broken the original social balance and hindered the existing infrastructure from functioning as before. Conflicts eventually broke out and altered the development direction of public health and infrastructure.

There are two types of measures that will be covered in the following discussion: plague management, which pushed implementation of Western medical science as its main programme; and infrastructure development, including the domains of water supply, drainage and housing. In and after the 1880s, the plague was still a severe social

problem in the HK colony. For example, the 1894 plague was recorded at around 130 cases up to 15th May, and most were fatal (Pryor, 1975). Sanitation had somewhat improved by 1895, but the plague still recurred to a degree every spring from then on. Traditional Chinese medicine did not have correlative knowledge of, nor an effective cure for, the plague. The plague management organised by the Colonial Government took Western medicine and "Western sanitary science" as the necessary and basic treatment ideas (Tang, 1998). Nevertheless, the deep Chinese prejudice sorely impeded Western-style medicine popularisation. The measures of Western medicine such as removing the dead bodies and segregating the infected patients could be performed only under the safeguard of plenty of additionally hired troops. Furthermore, each Chinese residence would be forcibly searched every ten days, causing serious disturbance to people's lives. The dissatisfaction of the Chinese public and their resistance to these measures can be easily imagined. In fact their dissatisfaction manifested in a strike by coolies that took place against the inspection of lodging houses (Endacott, 1959). It was not until 1901, when the fact that rats are the real cause of local plagues was discovered, that effective curing methods were first revealed. Certainly before 1924, the plagues had been endemic for a very long period. During the 1920s and 1930s, medical services in HK expanded: several hospitals were opened, such as Queen Mary Hospital and the Kowloon Hospital; in addition, the Tung Wah was extended (Tang, 1998).

So, infrastructure development was tightly related to plague suppression. For example, the drainage system improved bacterial control and sanitation. At that time, housing was another problem that urgently needed to be solved. In 1896, Governor Robinson considered overcrowding as the root of obstreperous disease (Endacott, 1959). Whether

or not this perception was supported by scientific evidence, it shows that housing was a severe problem that demanded a lot of attention at that time. Firstly, rooms were built within rooms to such an extent that it often happened that one house was shared by five to ten families (Endacott, 1959). Secondly, the unpleasant conditions caused people to have no spare thought and attention for the scruples of sanitation. Living spaces eventually became filthy, enough to go "against every sanitary rule":

> *... with no yard and no ventilation; the ground floors were of mud or stone or tiles; the floors of upper stories were so thin that they could not be washed without the water dripping through to the rooms below ... (Endacott, 1959, p.185)*

This certainly and miserably worsened the epidemic situation. The Government therefore had to act on housing issues to calm the burning urgency. On the other hand, great numbers were constantly immigrating, with the result that new requests emerged as soon as the old problems were resolved. It is not surprising to see that the Colonial Government had no time to completely finish the housing job. Correspondingly, the extended public works such as those related to water supply, central market, dustbins etc. all cost a great deal of social resources and governmental budget (Tang, 1998).

The above practices outline the endeavours made by the Colonial Government with regard to the social environment in HK. In that particular social situation, some actions that improved the locals' living conditions were crucially necessary, especially to combat the plague. The fact that all nationalities were more and more commonly sharing the same living environments, meant that implementing measures to change sanitary conditions was therefore closely bound up with British and other Europeans' safety of life. Colonial rule also required a stable society to offer a protective screen.

That is to say, public work, which is a costly investment project, was ultimately purposely planned to serve British colonials' interests, even if the local Chinese were the direct beneficiaries. Interestingly, though, the developing progress was obstructed by the Chinese, as described by Sir William Robinson: "*It is extraordinary – not to say discreditable – that after fifty-five years of British rule, the vast majority of Chinese in HK should remain so little anglicised*" (Robinson, 1895, p. 243).

The process of acculturation and social assimilation was obstructed by the conflict between Western and Chinese medicine, the conflict between Western sanitary science and Chinese sanitary perception and their living habits, as well as the conflict between the facts of social living, with people struggling in overcrowding, and the need to calm plague spread. All of these circumstances formed disharmony in the social environment of the HK colony. The British authority, after experiencing a series of repulsions from the Chinese community, gained a general understanding which was outlined by Governor Des Voeux in his book (Des Vœux, 1903, p. 200) that:

> *I reluctantly came to the conclusion, therefore, that any effective change from the existing state of things must be slow and gradual. The object of Government must be to improve as far as possible the institutions under its immediate control, and thus by force of example to convince the Chinese of the superiority of our methods of treatment.*

Obviously, the indigenous social structure had been the original mainstream society before colonial power reached HK. The intervention of British imperialistic power instantly removed its ability to lead and marginalised it so that its only option, as the inferior party, was to be harmonised. This caused deep antipathy and panic among the Chinese, owing to the little time allowed to them to digest the radical transformation. British colonial power took advantage of its dominant position and power to intervene

in the local people's way of living. From the historical perspective this was progressive, however the Chinese were passive in the whole game and the process of change they underwent was tough. A series of forced measures, compulsively assisted by troops and police, did not instantly clean up the plague, but only started to become effective in 1901 once the real cause was found, after several decades of trial. It is therefore not hard to see why the locals generally distrusted and disliked Western medicine and its sanitary systems, as well as the associated practices and policies of the Colonial Government.

In this specific social environment, affected by multiple contradictory factors, Western-style medical science and sanitation growth floundered but stayed firm. This persistence was typical of how these contradictions were resolved. The British/European lifestyle was gradually integrated with that of the Chinese or, to be more precise, the Chinese lifestyle was increasingly suppressed, which was a necessary preparation for them to be accepted by the British and other Europeans. Hence, such processes positively influenced Chinese social status and treatment changes in the HK Colony. From the locals' perspective, it is known that accepting Western medicine was a clash between thousands of years of Chinese tradition and modernity: it opened a breach in traditional ideology that individuals were most attached to, representing a fierce shock to people's thinking and understanding, it started to disrupt their inveterately embedded cognitive structure and therefore played a significant role in reshaping the HK residents' new modern concepts that integrated with the Western elements. Eventually, the HK public witnessed the modernisation process through a series of government works. The outcome of this development was visible as early as

the end of the 1880s, which amazed Governor William Des Vœux on his arrival in 1887 (Des Vœux, 1903, p. 193):

> *Looking at the abundant shipping (including many ocean steamers, some large sailing clippers, and innumerable junks), the imposing front of the crowded city beyond, and, on the mainland of China, the town of British Kowloon, already growing into importance, I could not help marvelling at the contrast between this scene and the one witnessed here forty-seven years before, when a visiting man-of-war would have found itself alone in the harbour, and when the island was inhabited only by a few fishermen and pirates ... contained apparently only one site fit for a European house.*

The direct benefits of the developmental fruit shook the hostile attitude held by the locals toward the British colonist and boosted their recognition of and degree of adherence to the Government. This was the early development of social welfare in the HK colony, which did not commonly happen in other colonial areas (Tang, 1998). Consequently, loyalty to the Colony was imperceptibly built among the Chinese community. One evidence of such a situation was recorded in that "*the Diamond Jubilee of 1897 was an occasion enjoyed as much by the Chinese as by the British*" (Endacott, 1959, p. 226), revealing that they were no longer simply the oppressed, but at a certain level had reclaimed a sense of belonging, proving that they had re-identified their role in the social relationship. This was again reflected by Governor William Des Vœux's words regarding the 1887 Jubilee Celebration (Des Vœux, 1903, p. 209):

> *Apart from personal feeling, reflections upon this Jubilee celebration could not be otherwise than most gratifying to a loyal subject of the Crown ... what was far more striking was the feeling which animated the Chinese.*

8.4 Discussion

This section discusses the influencing factors on Chinese social status transformation in HK from both the objective and subjective aspects, and extracts elements and events that affected change in social relationships and patterns. Most of the arguments will be developed from both the British and Chinese standpoints, respectively elaborating on how the elements and events made differences both to themselves and the way they perceived their external relationships. The discussion attempts to comprehensively grasp the dynamic process of the situation's development as well as its related causal relationships from the social context perspective, so as to interpret the rationales behind the changes in Chinese social roles and positions. It further takes this as an important entry point to explain the reasons and rationales behind the huge increase in Chinese hires over time, to the point that they even achieved dominance in numbers in the middle administrative positions of the Colonial Government in and after 1885. What needs to be underlined is that the objective and subjective influencing factors are not independent, but inter play in the whole social environment and jointly shape the developing trend, which matches with what is proposed by critical theory and dialectics (MacDonald, 1968; Horkheimer, 1976; Carr, 2000; Ogbor, 2001).

It is argued that "all facts are stages of a single process" (Marcuse, 1993), wherein the process is fulfilled by the intertwining and mediation of contradictions of various kinds. Every stage of social development of in the HK colony was a single point in the dynamic procedure of progress. It derived from the past and simultaneously affected future development. Individuals' perceptions and understanding of social environments and relationships are considered objective, and their formation is based on objective

phenomena, whereas when perception and reaction works on the social environment, they influence and reshape the objective items' forms. For example, the British sensed the improvements in Chinese social status in the HK colony as an ongoing, objective social phenomenon. The Colonial Government responded to this fact and adjusted its attitude and policies according to the circumstances, eventually continuing the process of changing social relationships within the colony. At the same time, British perceptions of the colony constantly changed based on historical experience and current contextualised elements. According to the theory, in this process, the mainstream is persistently trimmed by the antithesis and eventually forms the new synthesis, thus driving the social situation forward (Bohman, 1996). As for the Chinese in case of the HK colony, their prevalent perceptions experienced great challenge and shock. Therefore, they went through much more furious contradictions, which brought them more miserable feelings. On the other hand, their acknowledgement of such conditions was not static, but gradually reshaped by contextualised factors. It is not completely unexpected that their attitudes and emotions regarding the Colonial Government and the colony transformed over time.

Educational institutions were one of various social institutions in the field of interaction in colonial society. Education was considered the bridge that built understanding between the Chinese and the British, more specifically that built Chinese understanding of the ideas of the British at that particular moment. This exploration had been put in practice even before the establishment of the colonial government, with the very beginning of the development of the modern English system of public education primarily based on voluntary religious efforts. The Morrison Education Society, opened in 1835, was the first education organisation that attempted to make China open

to Western ideas. Because the teaching targets were local Chinese who had little knowledge of English, the Chinese language was adopted in the teaching process, which represented a certain level of effort to adapt to the learning abilities of the locals. However, after a series of endeavours, the Morrison Education Society had no choice but to announce its closure. One of the leading causes was that the teaching mechanism was still too radical and ambitious for the locals (Endacott, 1959, p. 134). This specific case provides practical evidence for the argument that the individual, situated in a specific social context, and the expected recipient(s) not only constitute the social condition but also impose influences on the production and reception of the symbolic forms.

All these changes and developments suggest and embody the process by which HK formed its own particular culture, along with the integration of British and Chinese elements. Culture as a "complex whole" includes "knowledge, beliefs, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" (Tylor, 1871). During the time that HK was colonially ruled, British ideology and culture subsumed the Chinese one in multiple ways, from government systems and policies to the education system, and thus the knowledge and thinking patterns of the local residents was also changed. Through contact in daily life, whether from a macro or micro perspective, British influences leaked into fragments of life everywhere. The Chinese, therefore, learned and accepted the British culture into the social environment, which resulted in some British elements being integrated into their own culture and society, further facilitating the reduction of cultural distance between ethnic communities. Consequently, the boundaries that stood between racial groups were loosened (Mahfud *et al.*, 2018). This contributed to easier communication conditions,

which became a part of the virtuous circle of social integration. On account of such situations, trust emerged between racial groups and the HK Colonial Government, as the representative of the British authority, was able to relax its vigilance. This explains the background against which the British extended Chinese recruitment and allowed them to take part in the administration of the colony after the 1880s. In this complex social context, multiple integration exerted a profound and lasting influence on local cultural development, which consequently transformed the HK social context in reverse during people's everyday understanding and practice (Thompson, 1990). It contributed significantly to the formation of the special and diversified HK culture that exists nowadays.

8.4.1 The Role of TCNs in the Colonial Government

TCNs' position in the Colonial Government

The appearance of TCNs and their role change in the HK Colonial Government were considered as interesting phenomena. In this research, TCNs are separated into two main groups, i.e. non-British European and non-European TCNs. These groups were treated differently in the organisation, but they also shared some similar features. First of all, obvious differences instantly emerge in the positions in which they were generally engaged and the attendant treatment conditions. As already outlined in the statistic analyses, the non-British Europeans were mostly hired into the high-class administrative positions, like First Class Clerk, and those positions requiring professional skills, such as Assistant Engineer; while most of the non-European TCNs, which mainly consisted of Indians, worked in the manual positions. In particular, the unequal payment levels between these two groups in the same types of job

distinguished them as being on different hierarchical scales. Even though they were both excluded from the British dominant class, neither fell into the oppressed class at the bottom in that particular context. Therefore, they stood together in a kind of middle ground in the Colonial Government, especially during the early to middle stages.

The research classifies TCNs in the Colonial Government in the intermediate grade in the power pyramid of the field of interaction (Thompson, 1990), to indicate their particular strata of status. In the hierarchy of an institution, 'intermediate' is located in the middle class, which is in keeping with the actual positions of the non-British European and non-European TCNs in the Colonial Government: on the one hand, they were managed by the higher-class managers; on the other, they took advantage of the relative power afforded by their position to control the lower-class manual labourers. Compared to the manual labourers, they were endowed with better quantities of economic capital, which is reflected by the different payment levels offered at the same position grade. The primary status of the non-British Europeans (as opposed to the non-European TCNs) was verified by their advanced power and financial condition, but interestingly, the Indians, who made up the main part of the non-European TCNs, were more trusted in the HK Colony by the British authority, even though they were the colonised in their own country. As is recorded in the HK Blue Book, they were hired to fill the sensitive positions, such as turnkeys and the police force, which invested the Indians with certain managerial or ruling characteristics (Hanna, Talley and Guindon, 2000). Along with the development of colonial activities, it should be noted that the non-British European and non-European TCNs both saw a decline in employment percentages in the Colonial Government, suggesting that the proportions of the TCN

group generally decreased. To discuss the causes of such phenomena, it is important to firstly understand what role they played in the Colonial Government.

From the perspective of job category, non-British Europeans mostly took on administrative tasks, while Indians were placed in low-skilled manual positions. The HK Colonial Government, as an institution that represented the British authority and operated colonial rule in a geographically and culturally distant area, had special requirements for power and control. That power was stably retained by a small group in the Government (Dreher, 2016), implying that the intention of power and core information sharing should be kept very low. In the meantime, given the circumstance that nationality was an important factor influencing recruitment, the British should in principle have been the group whom the Home Government could trust and further empower. However, as discussed previously, hiring British staff in quantity was almost impossible due to multiple challenges in that specific social context. Recruiting other Europeans thus became the alternative solution, since they possessed far more similar cultures and behaviour patterns. In addition, following the basic rules of international recruitment (Briscoe, Schuler and Tarique, 2012; Noe *et al.*, 2017), local Chinese were supposed to be utilised to finish the low-grade physical jobs. However, some exceptions appeared. For example, the British did not let the local people guard the gaol door against local criminals; neither did they allow locals the power to maintain the social order. So in the scenario that the trust crisis towards the locals occurred in the lower grade positions, the Government decided to recruit Indians, who benefitted from hiring costs being much lower than the Europeans. That is to say, the TCN was not originally the preferred option for the Colonial Government, but became the compromise when faced with very limited available resources in that historical social

environment. The TCNs, as the intermediate group, possessed a position closer to the power centre compared with the subordinate strata. They took the orders and policies received from the dominant managerial leaders and put them into practice by managing their own subordinates. So far, the role of TCNs in the Colonial Government is clear. It can be said that this group of employees was the instrument of the British colonists, hired to achieve management and control over the broad ground-level employees and to further the overall purposes of colonial expansion.

The dynamic features of TCNs' comparative advantages

So far, the main advantages of recruiting TCNs in the early stage of British colonial rule can be summarised in two points: firstly, in comparison with the locals, they were more trustworthy; secondly, the cost of adopting this group into the Colonial Government was much lower when compared with that of the British. What now should to be considered are the developing paths down which these advantages took them in the dynamic social background. First, TCNs' advantage of trustworthiness existed only in comparison with the local employees in the early years. It was perceived earlier in this discussion that the cultural distance between the HK Chinese and British gradually decreased alongside the development of colonial activities and integration of social life. The following consequence of increased understanding between these two communities was that the Chinese were able to more appropriately adapt to the social order that was established by the British colonists, and therefore played an increasingly important role in the society. The locals were thus eventually better accepted by the British and, to a certain extent, proved themselves more trustworthy than in the past. Simultaneously, under the influence of Western-style education, the professional abilities of a small group of local people tended to match with the job requirements of

the Colonial Government, so they were trusted to be placed in positions that required more skill than the purely physical tasks. In conditions where the TCNs' features stayed relatively stable, the dynamic changes in British perception of the Chinese relieved the crisis of confidence, further reducing the need to replace local employees by hiring TCNs. This weakened the TCNs' relative advantage of trustworthiness in the Colonial Government.

On the other hand, from the perspective of recruitment cost, it is suggested by the data analysis results that the mean salary of all racial groups experienced an increase after 1885, while the upswing in the non-British European average salary was the most prominent. This caused them an attenuated relative cost advantage against hiring British employees, whose salary was actually cut before 1885 and did not reach the same level again by the end of the research period. Further evidence was mentioned by Carroll: in 1914, the cost of hiring a European Police Constable was more than seven times that of hiring a local Chinese, while in 1939, the lowest-ranking European policeman received almost eight times more payment than a Chinese of the same rank (2007, p.113). According to the Blue Book, the lowest-ranking European's payment was about 5.7 times that of Chinese staff of the same rank (British HK Colonial Government, 1885). This would suggest that the cost difference of hiring a European and hiring a Chinese was always impressive and would keep growing bigger. Considering this situation, and given that the British were increasingly more accepting of the Chinese, the priority to recruit non-British Europeans into the HK Colonial Government declined. Comparing European staff numbers among different colonies of the British Empire, it is found that Europeans were recruited in far greater amounts in Hong Kong than the other colonies. For example, in 1921, more than 180 Europeans

were hired for the HK Police Force, while only 40 were counted in Singapore and 23 in Ceylon, where the population was more than six times that in HK (Carroll, 2007, p.113). It is thus not surprising to see that not only did a greater number of local staff appear in the Government, but also that more of them were allowed to enter intermediate-grade positions to deal with some basic administrative tasks. Overall, in the event that both of their perceived advantages gradually reduced in importance, the TCNs' initial intermediate function was not so desperately required in the Colonial Government after the 1880s. This caused their reasons of being involved in the Colonial Government to be compressed. Ultimately, the strategic significance of the TCNs to the Colonial Government was whittled down as the colonial operation grew.

TCNs' issues when the aura of privilege faded

TCNs, without doubt, played an important role in the Colonial Government. The British authority managed them in order to secure control over general employees and affairs. However, it was evident that managing them firmly caused severe headaches for the authority, as it did for the locals. That had been the case before the 1880s when the Colonial Government was in its initial stage. Taking one of the Europeans in a high position as an example, Sir Thomas Chisholm Anstey, who was the son of one of the early settlers in Van Dieman's Land, was considered and treated as an English subject as he had born and educated in England. He was recognised as one of the more "*recalcitrant and argumentative members*" in Parliament, possessing "*not only strong views on diverse subjects but an equally strong determination to make them heard*" (Endacott, 1962, p.90). It is therefore not hard to imagine that managing him was challenging and it seems it was not always easy to change his mind and make him obey. He was criticised for his engagement in a "long series of officialised quarrels and contentions" characterized by

"violent and vituperative language" (Endacott, 1962, p. 93). It causes no surprise to hear that working for him and with him caused much grief. Additionally, there was the case of Sir Daniel Richard Caldwell, who was of mixed blood, born in the British East India Company's island of Saint Helena, and was regarded as a European. His dissatisfaction at his treatment and requests for increased salary was remarked upon (Endacott, 1962, p. 97), but what was more notable was his close association with local pirates (Endacott, 1962, pp. 97-9), which created great trouble for him and brought him down from his office.

Many of the senior European staff, including the British, garnered a lot of criticism, but owing to the crying need for qualified men, they were always indispensable (in some cases, in spite of being found guilty of certain contraventions, unless these became inexcusable). For example, during the government of Sir Richard Graves MacDonnell, who held the Governor's office from 1866-72, as Caldwell was dismissed from the Colonial Government previously, he was employed as an adviser in relation to Chinese gambling houses (in spite of numerous scandals in his past career to do with piracy and more). As is reported by the Home Government, Caldwell was paid a salary of $25,000 a year for this job (Endacott, 1962, p.99). Using the average currency exchange rate of £1 to $4.80 from the 1840s to 1880s (Abe, 2017), his payment was not much different to that of the Colonial Governor in 1870, who received the salary of £5,000 from the Government (British HK Colonial Government, 1870). It suggests that the desperate need for European employees secured this group a strong backing for their positions in the Colonial Government and even in the general Colony, irrespective of suitability.

After the 1880s, the challenge of managing the TCNs was not much resolved. Many of the European employees, especially those in manual positions in the departments responsible for maintaining the colony's infrastructure, were recruited only because they were available. For example, it was reported by the Victoria Gaol Superintendent H. B. Lethbridge in 1895 that in the last two years, 79 European men joined the service in the Gaol for two years. The approach to appointing them was frankly explained by him:

> *The majority of these men were discharged merchant seamen who finding themselves in debt to the Sailor's Home had to take any employment they could get. As there were no other applicants for the vacancies, the pay being insufficient to include suitable men to apply, I had no option but to engage them and give them a trial. (General Correspondence: HK, 1895, p. 453)*

It is not beyond expectation that very few pieces of evidence could be found to prove that they intended to work for the good and perform their duties to the full; their only concern was to remain in the position till they found something better. Sure enough, they were complained about as constantly being drunk and unfit for duty. Unfortunately the troublesome consequences did not end here: the leftover work was passed to the steady men, and the "frequent call on them to do extra duty has been the cause of many of them resigning" (General Correspondence: HK, 1895, p. 453).

As to the Indians, who were the majority of the non-European TCNs and mainly worked in the Police Force, they appear to have had a rough time in their service. On one hand, it is suggested that they were not popular among local residents in HK (Plüss, 2005). Due to their particular role of policing the Chinese on behalf of the British, the Chinese were normally fearful of them. In the worst cases, bearing their unfavourable

social image, the policing role always directly associated them with violent cases which often threatened their lives, as happened on 20 August 1909, when two Indian Constables were killed by the Chinese Liang Tou during their mission to escort treasure to the New Territories (General Correspondence: HK, 1910, p. 21). On the other hand, the Indian Police were not satisfied with their remuneration, as it was much lower than that earned by their European colleagues. The statistics show that European policemen's salaries were around three times that of the Indians in and after the 1880s (British HK Colonial Government, 1885; 1905; 1925). Their dissatisfaction almost resulted in a mutiny among the Indian contingent in the Police Force (Sinclair and Fung, 1994, p. 35), leaving the authority having to put some effort into dealing with these problems. It thus seems to have been a reasonable measure to localise the Police Force, as long as fewer difficulties emerged when doing so.

Apart from the earlier mention of the European's comparative advantages gradually fading out, being aware of the Chinese community's significant contribution to the Colony's prosperity, the British authority had to consider their feelings when forming and implementing policies towards different races. The awakening self-awareness and nationalism of the Chinese community, which was partially and inadvertently helped and encouraged by the Colonial Government, raised willingness to strive for their interests (Carroll, 2007, pp. 76-81). Simultaneously, the gradual development of economic strength endowed them with the power to act on their thoughts, so their opinions could not simply be ignored anymore (Bedikton Company, 1935; Endacott, 1959; Lethbridge, 1978). Under these conditions, it was risky to keep indulging the Europeans' requests and leaving an open door for them to enter the Government as staff members, thereby crossing the Chinese. As is explained in Carroll's book that "*the*

colonial Office also feared that giving in to any European demands would encourage the Chinese to make similar requests", and as he mentioned, the Secretary for the Colonies, Lord Ripon, used to warn that "*granting representation to Europeans would mean giving more representation to the Chinese*" (Carroll, 2007, p. 67).

In addition, as has been previously discussed, British colonial activities in HK were being threatened by other European powers in the late 1890s (Endacott, 1959; Carroll, 2007). For example, France had made substantial colonial movement in southern China after the Sino-French War (1884-85); Germany was also keen on developing its colonial power in China's coastal areas, etc. Britain confirmed its rule over the New Territory in 1899 (Blake, 1900, p. 6) and took this as a necessary defence measure against the aggrandizement of the European powers in the Far East (Carroll, 2007, p. 68). Given this situation and their reaction in taking the New Territory, it can be understood that a sort of competitive relationship existed between the British and the European colonial powers. This was obviously different to the atmosphere of the earlier period of the colony's development, when the powers had not reached China. So, the relationship of the British and other European countries in the Far East went through a certain change. Owing to their similar cultural backgrounds and colonial expansion experience, the European communities had enjoyed a closer relationship with the British community in HK Colony in the initial stages: hence they had been the obvious alternative when hiring large numbers of Britons into the high positions was almost impossible, as well as when the Chinese had held hostile attitudes towards the colonial authority. In the later stages, competition between the British and other colonial European powers caused direct conflicts of interest, alongside the preliminary results of the Chinese acculturation being seen after about half a century's integration. In this way, relations between the British, Chinese and other European communities gradually

changed. The evidence as to whether this transformation directly or indirectly affected a decrease in the proportions of Europeans in the HK Colonial Government has not been discovered yet, but it seems clear that even though the Colonial Government was required to stay neutral by the home government, the British and Chinese stood at a similar point and both their interests were threatened when facing the other European powers. Sharing common enemies very likely brought the British and Chinese somewhat closer (Silverstein, 1989).

After 1885, the statistics show that it was becoming difficult to differentiate between a Chinese employee and a non-European TCN, who had previously occupied higher class status in the Colonial Government. The preferential treatment of the non-British Europeans and their possession of a higher strata than the locals remained unchanged. However, the dramatic percentage increase in Chinese staff in the middle administrative positions raises questions as to whether the Government's bias against recruiting the Chinese was unchanged. It is clear that the Chinese permeated the intermediate grade after 1885, proving that, to a certain degree the hierarchical boundaries that had initially featured in the community unit had been loosened. This was especially reflected in the middle and lower grades. In the original TCN group, there were the non-British Europeans, who enjoyed more privilege, and the lower-grade TCN contingents, who stayed in manual positions and were seldom promoted. Of the non-British Europeans that were promoted, their advancement still never sent them into the dominant group. A further section of the TCN group, such as the Portuguese interpreters and the Indians in the police force, were eventually replaced by locals.

In general, TCNs played an important role in the Colonial Government during a certain period, especially in the initial stages after the organisation's establishment, which can be proved by the fact that their employee population was more than half of the total. However, when colonial activities had been developed to a deeper level, the special advantages of the TCNs were weakened and their function was gradually replaced by the Chinese. What is worth mentioning is that the contribution of the TCNs to HK society was not limited to this. This group was the bridge that connected the British and Chinese in the early stage when the two ethnic groups' communication was almost non-existent (Lethbridge, 1978). They therefore positively affected the development of HK's society and its modernisation, as well as the formation of its special hybrid culture.

8.4.2 The Recruiting Adjustment Within Departments

It is revealed in the statistics that the dramatic percentage increase of Chinese employees among the total staff in the Colonial Government was the most prominent recruitment characteristic in and after the 1880s. At this point, the number of Chinese staff overtook all other nationalities and became the majority by occupying more than half of the total positions. This trend did not alter until the last statistics analysed from 1925, when it apparently became uneven. Looking into the individual departments' recruitment records, they would suggest a similar trend overall, showing that the process of Chinese growth and number dominance had more or less peaked by 1885. Under these circumstances, there were two exceptions that drew my attention: 1) the increases in percentage of Chinese in the central departments (those core departments closer to the centre of power) lagged behind the overall trend; 2) in the departments

where the job content intensively related to Western modern science, the percentage increase of the Chinese lagged behind the overall trend. When examining individual position holders, it was also evident that, although the Chinese made up the majority of the staff, the senior managerial positions, no matter in which department, were all occupied by the British or other Europeans. Thus, the Chinese were hired into the middle administrative positions such as clerks, or as the lower-class manual labour in most cases. Based on these features, it is suggested that the British mainly had two concerns when considering Chinese recruitment: 1) the willingness of the British to hire local Chinese; 2) the professional capabilities of the Chinese. The following discussion will focus on these two points, elaborating on the reasons and rationalities behind the relatively slow percentage increase of Chinese employees in some of the governmental departments.

British willingness to hire local Chinese

The willingness to hire the Chinese into Government was an important psychological obstacle for the British to overcome and a vital to step in the Chinese overtaking other nationalities to become the largest ethnic group in the organisation. What was involved was the struggle between a pair of basic contradictions, i.e. the need for cost savings in staffing which majorly relied on recruiting from the local labour market; and the distrust towards the locals. Dealing with the former, we know that the British home government's expectation and requirement for its colonial institutions was for them to be self-sustaining. Unfortunately, the financial pressures caused by the huge costs of the military, defence, constantly increasing public works and expansion of the colonial territory etc. did not reduce until the Japanese occupation. Thus, the need for cost savings in the HK Colonial Government was a constant. For example, it appeared in

1910 that the Colonial Government contributed $1,372,486, which counted for 20% of its revenue, towards the cost of maintaining the Military Regular Force in the Colony (Lugard, 1910, p. 23); in 1925, military expenditure rose to $4,352,856.45, which made up 18.7% of colonial revenue in that year (Southorn, 1926, p. 5). Given this situation, the Colonial Government needed to cut expenditure but without hindering its functions, meaning that the civil servant salaries were frequently considered. At the same time, Governors were attempting to increase the employees' salaries, needing to keep ahead of recruiting competition from the business sector so as to maintain and even increase staff numbers to handle the ever-increasing workload (Endacott, 1959). Affected by such a stressful situation, plus the fact that the Retrenchment Committee vociferously urged staffing from the local population to cut spending exponentially, the hiring of more Chinese to deal with basic jobs came to be regarded as a practical option.

Comparatively speaking, the changes in the trust issue seem more dynamic. It was a subjective feeling, an attitude, that evolved over a period of time and was dependent on a range of factors. As mentioned earlier, the Chinese and British cultures experienced integration in HK's society during colonial rule, in which process the Chinese culture absorbed British elements and harmonised them as part of its own character, followed by a decreased cultural distance and relatively loosened barrier between the two nationalities (MacDonald, 1968; Mahfud *et al.*, 2018). Hence, trust levels increased, which in turn increased the feasibility of those much-needed cost savings by allowing the Colonial Government to open the recruiting gates to more local residents. However, this does not mean that the Chinese stepped into positions of power that dealt with sensitive information or issues. It is worth mentioning here that, regardless of advancing trust levels, the basic nature of the Colonial Government

should always be borne in mind and the relationship between the British and Chinese, that of 'ruler' and 'ruled', did not change in that time. Even though the British utilised the method of "managing Chinese with Chinese", these 'managing' Chinese were only a small part of the whole community, chosen to serve the British and support their leading position. In this sense, this small group of Chinese was more like a weapon, an instrument of the British.

Thus it can be seen that the increasing percentage of Chinese employees in governmental departments was not uniform. With some functional departments, such as education and the police, their role was mainly to execute and respond to policies not to directly influence the policymaking process. Therefore the British Government felt comfortable with quickly increasing proportions of Chinese staff. Other departments were very different. Taking the Court as an example: it maintained small numbers of staff and the numbers of Chinese never surpassed that of the British in the statistics, partially due to the fact that the positions involved were relatively close to central power and the rulers were not willing to share power with the locals. Meanwhile, the Victoria Gaol had a large number of staff, but the Chinese only occupied a small part of it, which was never over 10%. This phenomenon was particular – owing to the special nature of the job, giving the key that locked up mainly Chinese prisoners to a Chinese turnkey was too risky.

It can thus be summarised that although trust grew, it remained qualified. Such a transformation happened under the significant pressure for cost savings, such as in the police force and garrison, which both underwent multiple alterations in recruitment sources, but ultimately retained the British as the leaders to maintain tight control. The

Chinese were largely employed at the low ends of the spectrum. Given these facts, it could be suggested that the improvement in willingness to hire the Chinese was more a change from outright refusal to involve the them at the beginning to being willing to assign some tasks to be executed by them, but did not yet reach the level of sharing power and information. This explains the reason for the inconsistent speed at which Chinese numbers grew in certain departments. So, for the positions that were close to the core power, or those associated with sensitive information, the presence of Chinese employees remained restricted. We cannot tell, however, whether the situation would be different when trust levels accumulated in later periods.

Chinese professional capabilities

The improved willingness to recruit Chinese into the Colonial Government did not necessarily mean it would/could be put into practice. At this particular point, another problem raised its head and became prominent - the somewhat lacking professional capabilities of the Chinese. As we know, the original labour types of the indigenous islanders did not match the skill demands of the Colonial Government's positions. One of the essential conditions of expanding Chinese governmental employee numbers was to ensure that the locals obtained the necessary working skills. Therefore, the speed of learning and acquiring knowledge and skills should make a corresponding difference to the speed at which Chinese employee proportions could overtake other nationalities in different government sectors.

In general, looking at the national constituent development of the Government employees it is clear that after the 1880s, Chinese coverage expanded out of the low class manual positions to additionally obtain most of the middle class positions such as

clerk and interpreter (British HK Colonial Government, no date), which was as expected. Evidence can also be found in other historical materials (Endacott, 1959; Lethbridge, 1978). It is recorded that the Government faced a minor financial crisis during Governor Robinson's tenure. To tide them over the difficulties, the Colonial Government delayed some non-urgent projects. With regard to employee recruitment, some offices were amalgamated and it was declared that "all clerical posts were to be filled locally", which matches the statistical outcomes. An essential criterion of recruiting Chinese to the clerical and interpreter posts was basic communication abilities, which in this context tends to refer to language ability. This proves that by that specific time, there were already a group of Chinese who had gained some level of English language skills. This should be attributed to the English generalisation that was carried out by the schools (Boyle, 1997; Sweeting and Vickers, 2007), as it was recorded that by the 1870s, English had been successfully introduced into three government schools in or near the Victoria area (Endacott, 1959). Along with the gradual bridging of the communication gap, some basic governmental posts that did not require much professional skill were opened to the Chinese. Considering this circumstance, it is inferred that the departments which contained high percentages of such positions should have been overtaken more quickly by Chinese employees, such as the Registrar Office and the Police Magistrates Office (British HK Colonial Government, no date).

As mentioned earlier, colonial education in HK was originally organised for local professional training and was planned to serve the Colonial Government. The schools were the major front on which the English language was diffused: simultaneously, the Government also consciously promoted talent training in other domains to ensure that

the Chinese became proficient in other professional areas to replace the need for expensive British and other European hires. Interestingly, Chinese employees turned the tables on their educators and became the biggest ethnic group in the education department in 1885. Such a situation was contributed to by the establishment and performance of the Central School (IP, 1997; Luo, 2014), which was initially opened by the Colonial Government to train local teachers. It has already been discussed that instances where Chinese employee numbers exceeded those of other nationalities was role-dependent, in that they were given positions that focused on execution and related less to management (thus were of low empowerment), where they could be easily trained and put to use. In contrast, departments that required a strong executive that did not necessarily handle sensitive information but required Western scientific knowledge, had a slower uptake of Chinese staff. A typical example is to be found in the Medical Department.

In the department statistics before 1885, there were no local people involved in positions that required professional skill or possessed higher status than clerical. In 1885, however, a few Chinese student apothecaries appeared in the records. More Chinese assistant medical officers and studentships were recorded in the following years, in particular a great number of local probationers and dispensers who were hired in 1925. It is thus clear that the Colonial Government intended, and had projects underway, to train local medical personnel. Fruits of these could already be seen in the 1920s and relevant historical materials verify this inference. For example, it is stated that in 1884, the Colonial Government launched government scholarships, sending pupils to England for medical study, even though the results were not as expected since they stayed in Britain and did not serve the HK colony (Endacott, 1959). Afterwards,

the HK College of Medicine was opened in 1887 (Carroll, 2007). Apart from contributions to education, many training initiatives were delivered by the hospitals that endowed Western-style medical knowledge on the Chinese. One of these was the Alice Memorial Hospital and its attached training institution to provide the teaching of European medicine and surgery. In 1895, the Governor officially suggested hiring Chinese nurses in the government-organised hospital, following an increasing number of Chinese becoming qualified with the requisite skills after training. These Western-educated hires indicated a breakthrough for the Chinese in starting to take on professional jobs in the Colonial Government, but this group was very small.

That the Chinese employee numbers eventually overtook other nationalities in the department still largely relied on the recruitment scale being extended — middle-grade administrative and lower-grade manual positions increased in large numbers and these were mostly occupied by the Chinese. Another department that matches this development is the Public Works Department. The locals mostly worked as tracers, clerks and other administrative hires (British HK Colonial Government, no date). It was only in the statistics of 1925 that a few Chinese appeared in engineering positions, or more specifically, a couple of Chinese filled the engineering assistant jobs. The early instances of engineer training for the locals in the HK Colony are found as higher education developed. It was taught in the HK University after its establishment in 1912. Thus it can be inferred that engineering training in the colony was started somewhat later than in other domains (Endacott, 1959; IP, 1997). Based on the statistics, Chinese employee numbers only overtook other nationalities in the Public Works Department in 1925 and, similar to what occurred in the Medical Department, this was mainly due

to an extension of recruitment in the mid-level administrative and lower-level manual positions.

To summarise then, the growth in Chinese numbers in the Government was due in large part to the institution's need to cut costs. There was increasing trust between the two nationalities, however, this trust did not extend to the British allowing the Chinese into any positions of power within the Government. So, in fact, the British did not so much overcome their distrust of the Chinese as overcome their initial refusal to hire them as anything other than manual labour. This situation did change, but gradually. The rate of increase in Chinese employee numbers was not uniform across all departments. In the departments closer to the centre of power, Chinese staff numbers lagged, as they did in departments where professional or technical skills were required. In the latter case, the reason that Chinese numbers overtook other nationalities was due large recruitment expansions in administrative and manual posts. However, from the longitudinal comparisons and based on the fact that more Chinese professional hires were being seen in the later years, it can be inferred that the Colonial Government had attempted to train more local talent for the technical positions. It thus is speculated that once Chinese working skills were improved, being recruited into these types of positions and departments would not have been hindered by nationality.

8.4.3 From Ethno-centric to Cultural-centric

When analysing all of the changes and adjustments that the Colonial Government underwent, the unchanged pursuit of home orientation is the overriding impression. We know that the Colonial Government constantly maintained the ruling position of the

British. Given cost saving was a constant need for the Colonial Government, the enhancement of the Chinese employees' position was based on the outcome of the acculturation process. In other words, it was dependent on the level of understanding and integration into the British culture and customs that the Chinese could manage. In other words, no matter how the British changed their staffing practices, their way of measuring candidates did not change: the British decision-makers chose those who shared higher levels of cultural and value understanding with them. This can be reflected from the abovementioned increase in Chinese hires and the decrease in TCN involvement.

The main proposition of Perlmutter's EPRG model, which is introduced in most of the mainstream textbooks when talking about international recruitment, presents four different staffing approaches based on the national source of the top managerial positions of the subsidiaries (Perlmutter, 1969; Schuler, Budhwar and Florkowski, 2002; Briscoe, Schuler and Tarique, 2012). Employees are categorised by their national identities, and different staffing approaches employ different types of nationals to the top managerial positions. Traditionally, scholars consider that the same nationality should share the same cultural perceptions compared with other nationals. Therefore, taking employees' nationality as the important recruiting criterion, companies that take the ethnocentric staffing approach expect the managers who come from the headquarters or parent country to help their subsidiaries maintain consistency with headquarters (Perlmutter, 1969; Banai, 1992; Isidor, Schwens and Kabst, 2011; Briscoe, Schuler and Tarique, 2012). In consequence, employees' nationalities have been discussed in most cases when looking at international recruitment.

However, the existing discussion regarding the ethnocentric staffing approach is likely to cause misunderstandings about the related recruiting practices. MNEs who have high home orientation hire PCNs in order to take advantage of the special characteristics that such a group contains; hence, hiring managerial staff from the parent country should be the approach and this works for a specific purpose, but is not the purpose itself. We may argue, then, that there could potentially be some alternatives as long as it serves the purpose. In the case of the HK Colonial Government, seeking home-orientation was strongly reflected in the process of recruitment. The Colonial Government gave much preference to the British, to the extent that, the top managerial positions aside, the British also represented a large percentage of the middle- and even lower-grade manual positions, especially in the early phases. This is not what we usually see, especially given the circumstance that the development of transportation stayed in a very immature condition and transporting individuals over long distances faced significant difficulties. Based on the growing cultural communication between the British and Chinese, the Colonial Government increasingly included local people and allowed them more important roles, reflecting the Colonial Government's attempt to escape the restriction of nationality and enlarge the talent pool by relying on locals who accepted and were familiar with the British culture and modern scientific knowledge (Endacott, 1959). As a consequence, the privilege of the British, to a great extent, remained unharmed. Understanding between cultures facilitated the barriers being lowered and also became an opportunity to diminish the hierarchical boundary that had been erected based on nationality.

The ethnocentric staffing approach has always been the most controversial of the staffing approaches outlined in the EPRG model (Perlmutter, 1969; Mayrhofer and

Brewster, 1996; Sue, 2004). It is argued that it is outdated, especially because of its bias towards PCNs, which can easily cause unequal status among different nationalities in the MNEs. It is thus often criticised as politically incorrect due to its embedded racist character (Jenkins, 1986; Michailova *et al.*, 2017). Given the advantages of the ethnocentric staffing approach (Perlmutter, 1969; Briscoe, Schuler and Tarique, 2012) and its significance for a home-oriented MNE (Kanter, 1977; Mahmood, 2015), it is necessary to rethink the real meaning of such a recruitment strategy, or a practical way of implementing it in the developing context of today. Since HK was under the British crown, it experienced a general acculturation process wherein British culture integrated deeply into the local culture. Once this had happened, the Chinese became more and more accepted and trusted by the British and therefore were hired into the Colonial Government. However, nowadays, given the world population's high mobility and cultural communication, understanding between different cultures has achieved a much higher level than at any time in the past. Therefore, the possibility of people building trust based on their common cultural understanding rather than over their national identity should be higher than it was in the past. According to homosocial reproduction, it is the natural choice that individuals choose to be close to other individuals similar to them (Conger and Kanungo, 1988; Holgersson, 2013). Considering the nature of ethnocentricity, one way to escape the criticism of racism and to widen the talent pool may be to move away from focusing on national identity and focus on cultural understanding instead. Hence, I shall define the alternative of ethnocentric staffing orientation as the *cultural-centric approach*:

> *Multinational enterprises adopting the cultural-centric staffing approach fills key positions with individuals who share significant common cultural perception with the parent country, regardless of nationality.*

By applying such a staffing approach, a company would rely on its staff sharing high cultural understanding in the processes of decision-making and even in day-to-day operation. The significance of cultural distance would replace the criterion of national identity and become a more prominent assessment factor in recruitment. This way, the MNEs with a home orientation would be able to keep their advantages, but at the same time conquer the challenges that are brought about by applying the pure ethnocentric approach. In the case of the HK Colonial Government, the status improvement of the Chinese is very likely to be an effective example from history of the inequity phenomenon caused by different ethnic identities being restricted in the workplace.

From the point of view of homosocial reproduction, when the traditional ethnocentric staffing approach that privileges PCNs incurs criticism and is thus difficult to practice in the current environment, it probably makes more sense to adjust the method of pursuing homogeneity by moving away from ethnicity-focused to culture-focused recruitment, which is a way of maintaining the ethnocentric principle in a different guise. To do so, nationality will no longer be the only criterion for recruiting managers and MNEs are therefore likely to benefit from a wider talent pool by engaging more HCNs and TCNs, as long as they share a high level of cultural understanding with HQ's decision makers.

8.5 Conclusion

This chapter mainly analyses the reasons and rationalities behind what statistics show regarding recruiting practice changes in the British HK Colonial Government post 1885,

based on additional historical materials such as books and journals that focus on the period from the 1880s to the 1930s. The most prominent transformation of the Colonial Government staffing practice in this period was the large-scale expansion of staff numbers, as well as the increased proportion of Chinese employees compared to all other racial groups. First of all, the research unpacked the influencing factors of the increases to the overall workforce. Apart from the institution's own development, there were incidents in the outside environment, such as the hostilities and new territory acquisition, which accelerated the staff increase. Secondly, this chapter looked at the situation from the point of view of the British, analysing why, from the objective and subjective perspectives, the Chinese people's status changed for the better. It found that HK formed its own specific culture through the integration of the British and traditional Chinese cultures. The research attempts to abstract the reasons why Chinese social status rose from a social context, and furthermore reveals the rationalities behind Chinese employee number increases in the Colonial Government. In the end, the research discussed why Chinese staff, now the biggest national group in the overall Government, overtook other nationalities in number in most departments but not in all. The study elaborated on these reasons, considering the issues of trust, cost savings and Chinese staff's professional skills, explaining the pattern through which these elements interplayed and accelerated the recruiting practice changes. Eventually, we suggest that moving from ethnocentrism to culture-centrism may be a good solution to conquering the challenges attendant upon practicing a purely ethnocentric staffing approach. We argued that this movement can better fit the reality of today's world since population mobility and cultural communication have been developed to a higher level than in any previous period in history.

Chapter 9 Conclusion

This research longitudinally tracks the recruitment practice of the British HK Colonial Government for nearly one century, aiming to identify its staffing approach and the adjustments applied to it. Simultaneously, the research put special effort into analysing the rationalities behind the phenomena by focusing on the dynamic social context. We expect to theoretically contribute to existing studies. At the same time, although a historical research, deconstructing the circumstances of the HK Colonial Government may be a way to build the connection with the current day. Therefore, by understanding the environment and period in time in which the Government was situated, the research also aims to provide some direction for companies of today that are facing a similar situation to the Colonial Government.

The data suggest that the Colonial Government adopted the *ethnocentric staffing approach* as its recruiting orientation, and this was maintained throughout the research period. Given that the British employees' dominant position remained unchallengeable, some did adjustments take place, reflected by a transformation in the level of government reliance on different ethnic groups. What was predominantly evident was the increasing percentage of Chinese employed by the Government. This trend started with the bottom, manual-level, jobs and progressed to the middle administrative level that required more skill and technical knowledge. This suggests that the strategic role that the Chinese played in the Colonial Government experienced a slow but visible change. In comparison with this, the staff percentages of the European (non-British) and TCNs (non-European) followed a downward trend. Through deconstructing and capturing several pairs of contradictions, the motivating factors were identified. The

research further portrays the new trend of "balance", i.e. the "synthesis" towards which the contradictions were developing. In the Colonial Government, those occupying the highest positions needed to maintain considerable mutual cultural understanding with the home country, in this case Britain. Looking at the bigger picture, in the competition for power amongst the several nondominant ethnic groups in the HK colony, the winner at any point-in-time displayed a relatively high mutual cultural understanding with the dominant group.

Based on what this research found from its analysis of the HK Colonial Government's recruitment practice, the *first theoretical contribution* of the research is to remodel the ethnocentric staffing approach by moving away from its focus on employee nationality to focus on cultural background instead: i.e. to a cultural-centric staffing approach. In this way, the research contributes to the EPGR model originally developed by Perlmutter (1969). We argue that, compared to practicing the pure ethnocentric staffing approach, this could be a good way to escape the criticism of racism and to widen the talent pool by moving away from national identity as the sole criterion and instead focusing on cultural understanding. In addition, it is suggested that this focus adjustment could better fit the reality of today's world, given that population mobility and cultural communication have been developed to a higher level than any previous period in history.

The *second theoretical contribution* is in the domain of homosocial reproduction. We used homosocial reproduction to explain the phenomenon that the HK Colonial Government employed individuals that were culturally similar to the dominant British into its managerial structure. This case, on the one hand, provided an unusual

opportunity to examine the homosocial reproduction process from a longitudinal perspective; and on the other hand, offered a new angle for understanding the realities of migrant workers. This research provided an intersectional approach, which involved multiple levels of micro, meso and macro analyses of staffing practices in a chosen historical case (Tapia and Alberti, 2019). I shall address these two points in more detail in the following paragraphs.

The most recent homosocial reproduction research places its attention on the phenomenon of workplace inequity amongst migrant workers, in an attempt to improve immigrants' career and living conditions (Kingston and Mcginnity, 2015; Hudson *et al.*, 2017; Tapia and Alberti, 2019). For example, Hudson and her colleagues indicated that the minority group is currently over-represented in the low-paid positions in the UK (2017), revealing how the process of homosocial reproduction can trap such a group and eventually lead to the problem of employed poverty. It has also been suggested that "positive action" and "positive discrimination" may be a critical way to relieve the troubles of ethnic minority workers. However, Hudson's research, as well as those mentioned earlier, failed to observe the characteristics of homosocial reproduction in dynamically developing conditions. It was also criticised by very recent research in which it is observed that existing studies did not grasp the "creative responses by individuals" (Tapia and Alberti, 2019).

Based on the progress of existing research on homosocial reproduction, the research on the HK Colonial Government provides opportunities to further explore this area. First of all, longitudinal viewpoint and dynamic nature are the highlights of this research. The existing research mostly investigated the homosocial reproduction phenomenon

from a specific industry and/or geographical region, putting special effort into understanding the influences on the disadvantaged groups, such as ethnic minority and immigration, and putting forward the solutions. However, they failed to give an insight into the dynamic development of the phenomenon (Hudson *et al.*, 2017; Tapia and Alberti, 2019). This study of the HK Colonial Government grasps a relatively complete historical period. Through tracking its practice for nearly one century, it is expected to obtain macro dynamic understanding of the homosocial reproduction issue. It does not follow the prevalent idea of pursuing a prompt solution of current social challenges; rather, this research addresses the subject through analysing the social origin of the causal factors. Based on the rules of social development and by illustrating any long-term plans or strategies, it thus achieves the goal of getting infinitely closer to eliminating problems before they arise or at least improving the situation in the long term.

Secondly, recent research has provided a multi-level approach involving macro-, meso- and micro-level analyses, to obtain a nuanced understanding of the inequity phenomena respectively from macro-historical social changes, industrial and institutional relationships, and individual experience perspectives in an attempt to establish a multidimensional perceptive structure (Choo and Ferree, 2010; Tapia and Alberti, 2019). Some evidence was mentioned in the discussion of each level, but it seems that researchers have had difficulty in finding an appropriate case that accommodates the multidimensional structure and comprehensively discuss it in a unified spatio-temporal setting. This research on the HK Colonial Government, focusing as it does on almost one century's recruiting practice by the Colonial Government in a colonised social context, offers a unique opportunity for the discussion of the multi-level approach.

Within this approach, what is especially worth exploring is the underdeveloped macro-level analysis, as well as the dynamic role of gatekeeper, which refers to the study from a micro-analysis perspective. To summarise, the case of the HK Colonial Government could be a valuable chance to test or examine the multidimensional-related theoretical and methodological approach, and to respond to the call for effective evidence (Tapia and Alberti, 2019).

This research also looks forward to contributing practically to companies facing similar circumstances today. As discussed previously, the British HK Colonial Government's establishment in the host country was fast-paced. The Home Government technically did not leave sufficient time for the Colonial Government to gradually establish its functions (Chai, Cheung and Kwong, 2016). Therefore, the task of finding appropriate employees to fill the Government posts was immediate and enormous. This may well happen in the modern world as well, albeit in different ways. The *first practical contribution* of this research is to provide guidance and examples of recruitment to companies facing a fast internationalisation process. This can be especially helpful to born-global companies, whose operations have been argued to pose challenges to the gradual, incremental internationalisation view (Phillips McDougall, Shane and Oviatt, 1994; Moen, 2002; Cavusgil and Knight, 2015). As these types of enterprises face a heavy internationalisation process shortly after or even at the same time as they are established, filling positions with appropriate personnel very likely is a challenging task, similar to what happened in the HK Colonial Government. Therefore, this research is expected to provide enlightenment for these firms in choosing their staffing strategies.

The *second practical contribution* this research brings is to provide guidance on the formation of staffing strategies to MNEs that are extending their operations to foreign markets that reveal large cultural distances with the home country. Some MNEs may be trapped in the conflict between their home orientation and the huge cultural differences between the home and host environment. Even though cultural communication has been developed to a very high level today, cultural differences between countries still pose non-negligible challenges to a firm's performance and success (Collings, 2014). The measures practiced by the Colonial Government — hiring individuals sharing high cultural understanding of both sides, and especially involving HCNs and TCNs who possess such characteristics, as the intermediaries can possibly be a transitional solution for relieving the pressure.

Benefitting from the special conditions conferred by the HK Basic Law, which stipulate that the HK Special Administrative Region and the previous capitalist system remain unchanged for 50 years (Hong Kong Basic Law Drafting Committee, 1997), the HK administration's current setting can be considered as the institutional legacy of the colonial era (LEE, 2003; Jiao, Lau and Lui, 2005). Therefore, learning the history of the colonial administration can in fact reference the practice of today. This unusual circumstance endows the historical research with significant modern meaning – this research, as a connect between the current and the past, hopes to showcase the discussions and arguments held by the public, media, politicians and scholars of today against the backdrop of historical facts and analysis as supporting evidence. In general, this study can hopefully offer a great example of relating historical studies to practical social studies.

The theoretical arguments of this research focus on the ethnocentric staffing approach from the EPGR model to define a new cultural-centric staffing approach. Future research is required to assess the reliability of this approach in various business settings. Also, further research can work on focusing homosocial reproduction. As has been discussed previously, this research provided a valuable case that accommodated the multidimensional perceptive structure (Choo and Ferree, 2010; Tapia and Alberti, 2019). Therefore, dedicated concentration on examining this structure through the medium of the HK Colonial Government is suggested for further development.

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Appendix 1 – Nationality classification of the British HK Colonial Government

Parent Country Nationals (PCNs)	Host Country Nationals (HCNs)	Third Country Nationals (TCNs)	
		Non-British European	Non-European TCNs
British	Chinese	Arabian Danish French German Hungarian Italian Latin Jew Norwegian Portuguese Spanish Swedish	Indian Malaysian Singaporean Philippine

Appendix 2 – Position grade classification of the British HK Colonial Government

Grade Classification	Positions	Examples/Name (year)
Senior Managerial	Governor	John Francis Davis (1845)
	Commander-in-Chief	George Ferguson Bowen (1885)
	Vice-Admiral	Reginald Edward Stubbs (1925)
	Colonial Secretary	
Managerial	Assistant Colonial Secretary	
	Chief Assistant Secretary	
	Colonial Treasurer	
	Superintendent, Deputy Superintendent	
	Harbour Master	
	Chief Justice, Puisne Justice	Frederick W. A. Bruce (1845)
	Registrar, Deputy Registrar	M. S. Tonnochy (1865)
	General (including all departments)	Alfred Lister (1885)
	Principal Officer	Edwin Richard Hallifax (1905)
	Head of Department	Arthur George Murchison (1925)
	Director	Ng Fung-chau (1925)
	Head Master, Senior Master	
	Manager	
	Chief Accountant	
	Chief Engineer	
Administrative	Aide-de-Camp	J. M. d'Almada e Castro (1845)
	Private Secretary	Fong yok tsune (1845)
	Clerk (including all classes)	Arathoon Seth (1885)
	Stenographer	George Cook (1885)
	Accountant	Richard Hayes Crofton (1905)
	Assistant	Robert Henry Alfred Craig (1905)

	Assistant Secretary (start from second class)	Yung Wing-chenk (1925)
	Translator (including all classes)	Mahmood Bin Suffiad (1925)
	Interpreter (including all classes)	
	Writer (including all classes)	
	Auditor, Assistant Auditor	
	Assistant Colonial Treasurer	
	Cashier	
	Assistant Harbour Master	
	Officer (including all classes and departments)	
	Inspector (including all classes)	
	Shiping Master	
	Surveyor (including all classes)	
	Assistant Superintendent	
	Telegraphist Computer (including all classes)	
	Lithographer	
	Telephone Operator, Wireless Operator (including all classes)	
	Magistrate (including all classes)	
	Crown Solicitor	
	Registrar of Trade Marks	
	Department Secretary	
	Armourer	
	Sergeant Major	
	Engineer (including all classes and departments)	
	Teacher, Lecture	
	Foreman	
	Apothecary, Assistant Apothecary	
	Bacteriologist	
	Laboratory Assistant (including all classes)	
	Analyst, Assistant Analyst	
	Samplor	
	Chamical Assistant (including all classes)	

	Assistant Head of Department	
	Surgeon, Assistant Surgeon	
	Department Supervisor, Assistant Supervisor	
	Herbarium Assistant	
	Assistant Master	
	Mistress	
	University Trained Teacher Graduated	
	Administrative Commandant	
	Adjutant	
	Draughtsman	
	Telephone Supervisor	
	Dredger Master	
	Dispenser (including all classes)	
	Meter Reader	
	Tracer	
	Engine Examiner	
	Station Master	
Manual	Custodian	
	Sergeant	
	Constable	
	Amah	
	Shroff (including all classes)	Assow (1845)
	Labour	A. C. Cyriaco (1845)
	Notice Server, Process Server (including all classes)	Lee Singtang (1865)
		Ip Hop (1885)
	Collector	Lai Wing Sheung (1905)
	Signalman	Samuel Robert Moore (1905)
	Lighthouse Keeper	Wang Bak-shin (1925)
	Storekeeper	Francis Meade (1925)
	Salesman	
	Overseer	
	Tester	
	Printer	

	Bailiff	
	Usher	
	Librarian (including all classes)	
	Demarcator	
	Receiver	
	Detective	
	Recruit	
	Female Searcher	
	Motor Driveer	
	Coxswain (including all classes)	
	Boatswain	
	Seaman (including all classes)	
	Motor Mechanic	
	Stoker (including all classes)	
	Cook	
	Coolie	
	Office Attendent	
	Messager	
	Caretaker	
	Gardener	
	Range Maker	
	Drill Instructor	
	Fitter	
	Carpenter	
	Suilmaker	
	Painter	
	Fireman	
	Warder	
	Matron	
	Steward	
	Sister	
	Nurse	
	Probationer	

	Linen Maid	
	Wardmaster	
	Dresser (including all classes)	
	Midwife	
	Public Vaccinator	
	Clernser	
	Artisan	
	Tallyman	
	Bargeman	
	Forester	
	Forest Guard	
	Student in Training	
	Time Keeper	
	Telegraph Apprentice	
	Lift Operator	
	Rigger	
	Watchman	
	Chargeman	
	Compradore	
	Postman (including all classes)	
	Headman (including all classes)	
	Platelayer	
	Keyman	
	Trolleyman	
	Electrician	
	Welder	
	Conductor	
	Ticket Collector	
	Brakesman	
	Shunter	
	Porter	
	Gateman	

	Pointsman	

Appendix 3 – National employee statistics within all departments of the HK Colonial Government

Year	Department/Office	Total	British	European*	Chinese	TCNs**
1845	Central Government	151	62	17	37	35
	Police Force	162	0	71	29	62
1865	Central Government	119	62	22	30	5
	Medical Department and Hospital	21	8	5	7	1
	Police	628	5	83	127	425
	Victoria Gaol	24	5	8	1	10
1885	Governor	3	3	0	0	0
	Colonial Secretary's Office	14	4	5	4	1
	Colonial Treasury	12	2	4	6	0
	Audit Office	6	0	4	2	0
	Public Works Department	60	30	5	25	0
	Botanical and Afforestation Department	5	2	0	3	0
	Post Office	54	11	16	27	0
	Registrar General's Office	21	4	0	17	0
	Harbour Master's Office	58	10	9	39	0
	Observatory Department	6	2	1	3	0
	Court	18	11	4	3	0
	Land Office	2	1	0	1	0
	Attorney General's Office	4	2	2	0	0
	Ecclesiastical Department	2	2	0	0	0
	Educational Department	37	6	1	29	1
	Medical Department and Hospital	31	12	3	13	3
	Police	780	27	112	463	178
	Victoria Gaol	69	27	12	9	19
1905	Governor	3	3	0	0	0
	Colonial Secretary's Department and Legislature	30	14	2	12	2
	New Territory	3	2	0	1	0
	Audit Department	3	2	1	0	0
	Treasury	39	2	10	23	4
	Public Works Department	141	65	11	63	2
	Post Office	116	32	46	25	13
	Registrar General's Office	22	6	0	16	0
	Harbour Master's Department	95	16	16	33	30
	Observatory	9	2	2	5	0

	Botanical and Afforestation Department	16	2	0	14	0
	Court	20	10	2	6	2
	Land Registry Office	29	8	0	21	0
	Attorney General and Crown Solicitor	3	3	0	0	0
	Education	89	23	5	60	1
	Medical Department and Hospital	67	37	5	20	5
	Magistracy	22	5	5	12	3
	Police	1157	41	137	617	362
	Gaol	118	36	3	4	75
	Sanitary Department	151	52	17	65	17
1925	Governor's Office	16	7	0	9	0
	Colonial Secretary's Department and Legislature	20	8	0	10	2
	Secretariat for Chinese Affairs	23	6	0	16	1
	Audit Department	21	5	0	15	1
	Treasury	39	6	5	24	4
	Harbour Master's Department	74	28	12	31	3
	Import and Export Office	194	19	1	168	6
	Royal Observatory	13	3	0	9	1
	Court	20	9	1	7	3
	Magistracy	32	5	1	21	5
	New Territories	32	5	0	27	0
	Attorney General	2	1	0	0	1
	Crown Solicitor	7	3	0	4	0
	Official Receiver	5	1	1	3	0
	Land Office	8	1	0	7	0
	Police	2249	39	220	1474	516
	Prison (Victoria Gaol)	226	78	5	5	138
	Medical Department and Hospital	153	68	7	75	3
	Sanitary Department	1382	49	3	1321	9
	Botanical and Forestry Department	64	4	0	60	0
	Education	293	83	8	197	5
	HongKong Volunteer Defence Corps	6	3	0	3	0
	Public Works Department	621	164	16	424	17
	Port Development Department	32	13	2	17	0
	Post Office	325	10	21	284	10
	Kowloos-Canton Railway	350	10	1	338	1

* European means non-British European.

** TCNs mean non-European TCNs.