A compassionate study on Management Problems and Difficulties in Cross cultural Human Resource Management

[1]Ms. N. Devi, [2]Mr. P.Karthikeyan, [3]Mr.S.Sivagnana bharathi,

[1]*Assistant Professor, Department of Management Studies, Kurinji College of Engineering and Technology, Manaparai, Trichy,Tamilnadu,India.*
[2]*Assistant Professor, Department of Management Studies, Kalaignar Karunanidhi Institute of Technology, Coimbatore, Tamilnadu, India.*
[3]*Research Scholar, Karpagam University, Coimbatore, Tamilnadu, India.*

ABSTRACT: *Cross-cultural Human Resource Management is one of the most imperative for international companies. In this situation, there is much literature about Cross-Cultural issues on Human Resource Management, but they discuss in this field generally instead of specifically guilds for international companies in real practice, there are many companies lost managing cross-cultural human resources, which will lead them to fail.The aim of the study is to get a clear picture of cross-cultural Issues on human resource management and therefore knowing how to manage a harmonious working relationship between expatriates and local employees by analyzing problems consist of the concept of cross-cultural human resource management. Problems exist between Specialized Employees and local employees, and how to manage cross-cultural Issues on human resource management.*
In order to reach the aim, I applied "Five Culture Dimensions" to analyze the differences in culture between Organizations so that to conclude problems which may exist in the case company due to those differences. The "Five Culture Dimensions which telling the similarities
and differences of different Organization cultures; they are:
Power Distance Index (PDI)
Individualism (IDV)
Masculinity (MAS)
Uncertainty Avoidance Index (UAI)
Long-Term Orientation (LTO)
Moreover, I used questionnaire done by employees in the case company and an interview made
With the Managers in specialized area of the organization. The two results were combined and concluded to a final result that the employees in younger age, longer working experiences, richer
international experiences have fewer cross-cultural problems, and they have cultural problems
regarding individualism and Long-term Orientation.

Keywords: *Cross Cultural Issues, Management Difficulties, Five Culture Dimensions and Long term Orientation.*

I. INTRODUCTION

This chapter presents the background of the study, which reminded me of doing this research, and literature reviews which encouraged me to conduct the research, the research aim, problems and methods, which guided me to complete the research, and finally the limitations which presented the limitation elements which stopped me from reaching the research goals.

Background of the study

When the world entered the 21st century, globalization went on the stage to perform the drama of marketing globalization. Companies hurried to go abroad in order to gain more profit from customers all over the world, expanding themselves to have more market share, and learning experiences from other multinational companies. The market is now defined as the global market, which shares the customers from all over the world. The market globalization is bringing the multinational enterprises much more opportunities and profit, but also bringing them much fierce competition.

In the fierce competition environment, the international companies that do everything they can do to survive in the battle have to promote and strengthen themselves internally as the first step. For the vast majority of organizations, the cost of the people who do the work is the largest single item of operating costs that can be controlled and adapted to circumstances. Increasingly, in the modern world the capabilities and the knowledge

incorporated in an organizations human resource management are the key to success. On both the cost and benefits sides of the equation, human resource management is crucial to survival, performance and success of an enterprise. [Brewster, 2002: 126] Just like a troop, only when the soldiers do the best, can the troop have the best possibilities to win the battle. To the point of internal promotion, human resource management plays the main role in management, because nothing can be done without human resources, and talented people who do the best can do in the right position give wings to the company in the international competition. Further, the human resource management of foreign subsidiaries or foreign joint ventures becomes the key of international human resource management for international enterprises. Unfortunately, the parent company or expatriates have

Not done very well in this part of management: when entering into a foreign country, the culture differences have shown in every aspect of doing international business, ignoring culture differences has cost a lot for a multinational enterprise, which lead to failure in competition.

Literature review

There are many researchers who dedicate themselves to the International Human Resource Management, Human Resource Management, and Cross-cultural Management. These research areas are highly concerned, just like people paying attention to globalization. Boxall (1995) has analysed clearly the distinction between comparative human resource management and international human resource management; Schuler et al (1993) gave a clear picture of an integrative framework for the study and understanding of strategic human resource management; Heenan and Perlmutter (1979), Adler and Ghadar (1990), Doz and Prahalad (1986), Dowling and de Cieri (1993) have proposed detailed models of how International human resource management fits into the overall globalization strategy of organizations. What"s more, Sackmann (1997) has analyzed the cultural complexity in an organization, which shows that

Different cultures with different identities in organization members will influence much on the organization culture. There are many researches, about international human resource management, who are close to my topic, cross-cultural human resource management that is more specific under international human resource management. Brewster (2002) argued that the majority of studies in International human resource management have traditionally focused on expatriation: the cross- border assignments of employees that last for a significant period of time. However, there are few researches talking about the harmonious working relationship between the expatriates and local employees. Therefore, my topic is valuable to study.

Penta Chutian Laser Equipment Co., Ltd is a new joint venture established by Chutian Laser and Italy Cutlite Penta. Penta Chutian supplies domestic and international customers with high power laser processing machines and necessary equipment. Since Penta Chutian Laser Equipment Company is quite a new joint venture by a Chinese and an Italian company established in 2007, cross-cultural human resource management in Penta Chutian Laser Equipment Company is in an immature period. To take it as a case company would be very valuable.

The Study made for understanding

a. What is Cross-cultural Human Resource Management? What characters does it have?

b. What problems may exist between expatriates and local employees in international companies regarding Cross-cultural Human Resource Management?

c. How can we manage Cross-cultural Human Resources?

I will use quantitative method through questionnaires to study how employees view about the degree of harmonious of working relationships between them and the foreign expatriates in   10   cross-cultural working environment; and use qualitative method in an interview with the General Manager of Different Companies to example what cross-cultural human resource problems they are facing and how they manage the cross-cultural human resources in real practices.

Cross-cultural management

To understand what cross-cultural management is, it is good to see the terms separately: cross- culture and management. Cross-culture could easily be understood literally, from one culture to another. Cross-culture is a phenomenon born by market globalization; company goes out of their country to another to do business, brings their culture with the companies to another culture, which means cross-culture. Every country has its own culture, it is maybe similar to another one, but they are not the same. Culture is different by its contents and forms, 10% of which is what you can see, such as language, behaviour, food and dressing, 90 % of which is what you cannot see, such as beliefs, values, and ways of thinking [McClelland, 1973: 1-14]. Cross-culture shows in the differences of the 10% visible and 90%invisible culture content. International companies are a good example of cross-culture; they do business internationally, every time they enter into a new country, cross-culture happens with it.

There are lots of definition given to Management, Frederick Winslow Taylor thinks that management is to command others to use the best way that can be used to work; Herbert A. Simon gave management a

definition of decision-making; Henri Fayol thinks that management is a kind of human activities that all organizations have, it consists of five elements: planning, organizing, directing, coordinating and controlling. Therefore, I conclude them to a definition of management: management is the process of achieving established organizational goals by effective planning, organizing, directing, coordinating, and controlling of the organizational owned resources in a particular environment. [Taylor, 1911: 25-114; Simon, 1960: 1-50; Fayol, 1998: 1-157]

   After clearly see the definition of cross-culture and management, we will understand more easily the definition of cross-cultural management. Cross-cultural management is a process of achieving established organizational goals by effective planning, organizing, directing, coordinating, and controlling of the organizational owned resources in a cross-cultural environment. To detail, since management differs in different environments, for cross-cultural management, before planning, the manager should clearly understand the differences and similarities of his/her own culture and the destination‟s culture so that he/she can overcome the conflicts generated from culture differences; during the process of management, the manager also needs to learn and promote the way of management according to the new knowledge he/she learns from the cross-culture management experiences.

Understandings of Cross-cultural Human resource Management
   To understand Cross-cultural Human resource management, I think it is a good way to look at this term separately, cross-culture management, and human resource management. Chapter 2.1.1 will introduce Cross-cultural management, which consists of its definition and history, Chapter 2.1.2 will introduce Human resource management, which consists of its development, functions, and the concept of International Human resource management.

Cross-cultural human resource management
   Since I have introduced clearly the concept of cross-cultural management and human resource management, it is much easier to understand the definition of cross-cultural human resource management. Cross-cultural human resource management is the most important part of cross- cultural management, is a series activities based on characters of culture differences of staff selections, performance assessment, salaries management, and so forth, to enhance the effectiveness and efficiency of human resource allocation and application, in the background of cross-culture of the enterprise.

The factors of cross-culture have a comprehensive, system-widely, process-throughout impact on human resource management, it consists of three levels:

a. The home countries or nationals‟ different cultures from both parts. The joint ventures and multinational enterprises that are equipped with two different cultures from two different countries are influenced by negative factors of cross-cultural behaviours. This is a cross-culture macro level.

b. To the concept level, which is applied obviously in mergers, acquisitions, and corporate restructuring enterprises, which is the parent companies‟ cultural differences from both parts.
When two companies decide to hand-in-hand to be married with each other, the cultures of their own, such as staff selection system, group work style, will become some points of dispute in marriage life.

c. Individual cultural differences. This is a cross-cultural difference in the micro-level; old and young, man and woman, higher and lower levels, etc., any different individuals have cross- cultural differences. [Chen ,Yu, 2006]

THE IMPORTANCE OF CROSS-CULTURAL HUMAN RESOURCE MANAGEMENT
   Cross-cultural human resource management brings trust enhancement between people, brings to improvement, if it is regarded as important. The trust between people is from effective communications and understandings, which can pull people together, make group a team; after that, the employees feel at home in the company, feel like they are part of his/her company, have sense of belonging, therefore enhancing the loyalty of employees. But the communications and understandings are coming from languages, value orientations, habits, behaviours, etc.; unfortunately, those differ or even conflict in cross-cultural organizations and groups. Values affect on the choice of models, means, and behaviours of people, and therefore become certain preference. Different nations have different psychology, way of thinking and behaviour, religions, and context, which cause conflicts easily. Unfortunately, cross-cultural human resource management is the most vulnerable part of conflicts, because it comes from different cultures plus human resources, both of them are changeable. Ignoring the power of cultures, using management methods to improve employees‟ relations simply, violating the psychological needs of employees will lead to some terrible consequences, say, decreasing functioning efficiency of organizations, costing more for operations, and creating conflicts.

The features of cross-cultural human resource management In the course of international operations of transnational corporations, cross-cultural environment, company operating characteristics of internationalization and multinational management staff attitude have a significant impact on cross-cultural human resource management, forming features of diversity and transforming.

a. Diversity. The feature of diversity of cross-cultural human resource management refers to the coexistence of variety of national cultures in human resource management of multinational enterprises. First of all, employees of multinational companies are from different cultural backgrounds, cultural differences lie between them; then, the understandings, implementations, and evaluations of multinational enterprise"s management goals, may not be the same; therefore, the working groups formed by international employees are easy to be factionalised, which makes human resource management more complicated and difficult.

Secondly, from the environment and process of management perspective, the internationalization process of an enterprise is a process of single culture to multicultural environment. As the object of multinational human resource   management is from different cultural background, with different cultural features, the missions of cross-cultural human resource management are not only management of human resource from different cultural backgrounds, but also to diversify the methods and contents of management.

b. Transforming. The focus of cross-cultural human resource management is to keep changing. From internationalization operations of enterprises perspective, in different stages of international operations, human resource management has different tasks and goals. In the initial and developing stage of internationalization, there are two kinds of human resource management strategies implemented: first one is human resource management under parent company strategies. In this human resource management strategy, the multinational enterprises focus on the management of personal assignments sent by the headquarters, for example, the staff selections, job analysis, work performance assessments, and salaries management are set for the expatriates from parent company or the third country. The second one is human resource management in multi-nations strategies. In this kind of strategy, the human resource management focuses on the development of multi-national markets and pays more attention to the local or destination countries" management. In globalization stage, which means the world is almost globalized, and the multinational enterprise implement global strategies of human resource management, recruitment internationally and personnel management are the main tasks.

II.   FIVE CULTURE DIMENSIONS

The well known Five Culture Dimensions are a result of dimensions that tells the similarities and differences of different countries" cultures. This research was based on years of hard working by Professor Geert Hofstede; between 1967 and 1973, he was collecting data information about employees values of IBM Company in more than 70 countries with 100,000 responded questionnaires. Later, he did more researches to prove his previous research results, which were done by research on about pilots in 23 countries, administration managers in 14 countries, up- consumers in 15 countries, and elites in 19 countries.

After all of these hard working, Professor Geert Hofstede concluded the Four Culture Dimensions. Power Distance Index (PDI), Individualism (IDV), Masculinity (MAS), and Uncertainty Avoidance Index (UAI); then later, Professor Geert Hofstede summarised the fifth culture dimension called Long-Term Orientation (LTO), which was born by additional research with some Chinese employees and managers about Chinese Confucianism that created by the most infusive philosopher Confucian; and the fifth dimension is applied in more than 23 countries, some of them are not Confucianism countries.

Professor Hofstede investigates, analyzes, and compares more than 50 countries; he is regarded as the authority in culture differences and how culture differences influence management strategies. He said: "in global economic integration of the world, the strategies of all companies in the world are focused on how to meet the largest market to most customers by products and services; while the study of different cultures and values, is the key to success of such

strategies."

The content of the Five Culture Dimensions

Professor Geert Hofstede spent decades and concludes five culture dimensions which telling the

similarities and differences of different countries cultures; they are:
•   Power Distance Index (PDI)
•   Individualism (IDV)
•   Masculinity (MAS)
•   Uncertainty Avoidance Index (UAI)
•   Long-Term Orientation (LTO)

III.   HUMAN RESOURCE MANAGEMENT

To take a look at the definition of Human Resource Management, we have to take a clear look at what Human Resource is. There is an old Chinese saying: every man has his gift, it means that everyone is useful to society,

and everyone is talented in some field, but sometimes, you just don"t know what gift you have in your hand. A philosophy of people management is based on the belief that human resources are uniquely important in sustains business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. Human resource management is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competences. [Price, 2004:32-35] But to give a clear definition to human resource management is not an easy thing, some authors preferred to explain what is included in human resource management instead of a clear definition. I think, Human Resource Management is policies that a company has, and activities that it takes which include Job analysis and design, staff recruitment and selection, training and development, performance management, employees safety and health management , compensation management, staff motivation, labour relations management, and labour relations management; we conclude those activities as the modern management methods of enterprise to obtain human resources (selection), development (education), keep and use (employment) etc, which carried out by planning, organizing, directing, coordinating, and controlling to achieve the goal of a enterprises development.

IV.   DEVELOPMENT

The human resource development in different countries is different. In general, the academic development of human resource has experienced three stages: Personnel Management, Human Resource Management and Human Capital Management. The main difference among those three is located in the changes and development of concept that companies deal with their staff. In personnel management stage, the personnel manager"s work is to manage employee benefits, as well as the legal proceedings of the trade unions. The uppermanage departments regard all the activities and employees a large amount of net spending, so they try their best to decrease these consumptions; the company doesn"t hold a positive or supportive attitude to the activities of the company"s Personnel Department. In human resource management stage, employees are seen as value-added assets and developed in order to take full advantage of their potential by a company.

The human resource management department makes full use of job analysis, staff selection and recruitment, and staff training to increase the efficiency of employees, thereby improving efficiency of the enterprise management and operation; when the human resource management strategy is worked on in a company, the human resource management department is seen as one of the most important component of the company strategy, which is supporting the market expansion, new market development, and company"s future development; human resource is regarded important of increasing the competitiveness of a company. In human capital management stage, the basic duty of human department remains the same as human resource management, but the employees are seen as company"s capital instead of potential assets. The activities of human resource management is linked to quantify the company"s profit margins, and this is also a means to measure whether the employees and various department is working effectively.

V.FUNCTIONS

Enterprises in different stages have different functions in human resource management department, but in general, for most of the companies, the functions of human resource management include:
a. Job analysis and design. Analyzing of the positions of nature, structure, responsibility, and processes; also the skills, quality, and knowledge of stuffs who qualify those positions based on investigations and analysis of the related information, thereby preparing job description and job specifications and other personnel management documents.
b. Staff recruitment and selection. According to the human resources plan and job analysis
requirement, recruiting and selecting the right personnel to the right positions.

REFERENCES

[1].   Adler, N, J. and Ghadar, F. 1990. Strategic human resource management: a global
[2].   perspective, p.235-260
[3].   Boxall, P, 1995. Building the theory of comparative HRM. Human Resource Management
[4].   Journal, p.5-17
[5].   Bratton, J. 1999. Human Resource Management: Theory and Practice, p. 6-8
[6].   Brewster Chris, 2002. Human resource practices in multinational companies, in Handbook of
[7].   Cross-Cultural Management, p.126
[8].   Brooks, D. Harmony and the Dream. New York Times, 2008, can be found at www form:
[9].   http://www.nytimes.com/2008/08/12/opinion/12brooks.html?scp=1&sq=Harmony%20and%
[10].   20the%20Dream,%20David%20Brooks&st=cse
[11].   Burns, A.C. and Bush.R.F. Marketing Research, p. 332
[12].   Chen, H. Yu, N. Foreign Economic Relations and Trade, No.11,2006
[13].   De Kok, J. 2003. Human resource management in small and medium-sized enterprises, p.1-
[14].   161
[15].   Dowling, P. Festing, M. Engle, 2008. A. International Human Resource Management, the

[16]. fifth edition, p. 5
[17]. Doz, Y. and Prahalad, C.K. 1986. Controlled variety: a challenge for human resource
[18]. management in the MNC. Human resource management, p. 55-71
[19]. Fan, H. 1995. Confucian and Japanese Mode, p. 148-149
[20]. Fayol, H. 1998. General and Industrial Management (Chinese translation version), p. 1-157
[21]. 69 Gannon, M. Newman, K. 2002. The Blackwell Handbook of Cross-cultural Management,
[22]. xiii, p.5-6, p. 23-25
[23]. Ge, Y. Human resource management, p. 321-322
[24]. Gong, X. 2006. Ideological and moral cultivation and the basic knowledge of law, p. 64
[25]. Heenan, D. and Perlmutter, H. 1979. Multinational organization development
[26]. Hofstede, G. 1980. Culture"s Consequences, p. 70, 79-84, 90-107, 110-111, 142-143, 200-
[27]. 201, 172-174, 176.
[28]. Hofstede, G. 1998. Culture"s Consequences, p. 6.
[29]. Hofstede, G. 2001. Culture"s Consequences, p. 351-360.
[30]. Huang, W. 2005. Human resource management and development cases, p. 233-240
[31]. Keeley, T. 2001. International Human Resource Management in Japanese Firm, p. 17-18.
[32]. Legge, K. with Ackroyd, S. 1995. Human resource management, p. 220-241, in The Oxford
[33]. handbook of work and organization.
[34]. Malhotra, N.K. 2004. Basic Marketing Research, p. 43, p. 112, p.169.
[35]. Malhotra, N.K. 2007. Basic Marketing Research, p. 284-286
[36]. McClelland, David C. 1973. IQ and personality tests is poor indicator