IMPACT OF CROSS CULTURAL ENVIRONMENT ON STRATEGIES OF HUMAN RESOURCE MANAGEMENT PRACTICES

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ABSTRACT

As the globalization wave spread across the globe. Organization, too, must learn across borders, if they have to survive and flourish in various countries with diverse cultures and multifarious backgrounds. Cross-cultural differences stem from the different backgrounds of each culture. Cultural varieties witnessed in the workplace too. There might be some kind of misunderstanding among people working in the same organization due to their cultural differences. Managing global workforces has increased pressure on Human Resource managers to recognize and adapt to cultural differences, which when ignored can result in cross-cultural misunderstandings For a successful management, person should be able to work with people from different cultural backgrounds no matter what their cultural orientation is. To increase business effectiveness in the 21st century all the companies irrespective of size are striving to develop the right capacities in the form of people. Strategies for managing and working with people from different cultural background become the demand of the day now. This study presents impact of cross-cultural environment faced by Human resource management due to differences in culture.

Introduction

Before moving further must discuss "culture" which can be defined as the inherited values, concepts, and ways of living which are shared by people of the same social group. For better understanding, culture is divided into two kinds; the first is generic culture which is a shared culture of all humans living on this planet. The second is local culture which refers to symbols and schemas shared by a particular social group. As is known, the world is becoming nowadays a global village, in the sense that the technological achievements of this modern time have brought people closer together. This also means that people from different parts of the world and with different cultural backgrounds are working and communicating together. This fact is in a way interesting, but dealing with people from different cultures requires knowing the cultural diversities and its management. According to Nancy Adler (2008), she gives a good definition of cross cultural management: "Cross-cultural management explains the behavior of people in organizations around the world and shows people how to work in organizations with employees and client populations from many different cultures." The importance of cross-cultural management lies in the on-growing co-operation between companies in different countries where difficulties may arise because of the different cultural backgrounds. One of the well-known researchers in the field of culture and management is Geert Hofstede (1980). Therefore, Hofstede's work is considered indispensable to any study .For instance the way we deal with them, what we say and what we should avoid saying, how to communicate and to be aware of the cultural taboos because what is accepted in one culture might not be accepted in another. What applies to every day communication among cultures applies to communication in the workplace. Working with people in an organization requires dealing with certain issues such as motivating employees, structuring policies and developing strategies.

Most of one's culture is acquired during childhood. Humans at an early age have the ability to absorb norms from their cultural surroundings, from parents, siblings, playmates…. etc. Therefore, culture helps people to function smoothly within a specific society.

Geert Hofstede described four ways that can help in analyzing and understanding other cultures as follows:

1   Individualism vs. Collectivism: In some cultures, the individual is emphasized while in others the group is emphasized.

2   Power distance: The culture that believes that organizational power should be distributed unequally.

3   Uncertainty avoidance: Hofstede found that some cultures tend to accept change as a challenge while others don't.

4   Masculinity vs. Femininity: Hofstede himself tends to reject the terms "masculine" and "feminine". These two terms should be overlooked in order to value other issues which are more important to the organization such as achievement and assertiveness.

Cross-cultural environment have been changing dramatically from the last 10 years. Sustaining status and position in the turbulent and fast changing environment become biggest issue now a –days. Managers are now required to learn how to manage these cross-cultural teams by the use of new style of leadership, decision-making, trust-based relationship, negotiation and communication, which varies within the team because of cultural differences. To increase business effectiveness in the 21st century all the companies irrespective of size are striving to develop the right capacities in the form of people who can develop company's product and services, competitive edge and strategic plan. In the current situation organizations now need to prepare themselves in order to address people centered issues with commitment from the top management, with renewed trust on HR issues, more particularly on training. The organizational models also refocus on people centric issues and call for redefining the future role of HR professionals. HR managers need to grapple with many issues that they have not dealt with in their lifetime and face multifarious challenges from visible as well as invisible forces in the years ahead. Increasing of global job mobility, recruiting competent people are gradually becoming more difficult, especially in India. Consequently by creating an enabling culture, organizations are also required to work out a new HRM strategy for people come from different culture. One of the biggest challenges managers across the globe facing is how to handle confrontation and disagreement. Plenty of research exists to confirm that a little confrontation is a necessary and constructive for working life; however, what if you come from a culture where confrontation is considered rude, or you have people from such a culture on your team? In French culture, for instance, confrontation is widely accepted and taught from an early age, and the school system encourages open disagreement in consensus building.

In contrast, Indonesian culture dictates that direct confrontation should be avoided at all costs. In a business environment this difference can present problems within a team, as, typically, Indonesians will not voice their discontent openly, often remaining quiet and reserved. From a French perspective, this might be perceived as being unresponsive or disengaged.

Disagreement poses a similar challenge. In every culture, if you're working on a team, disagreements will occur sometimes. However, the most appropriate way to express a disagreement varies from culture to culture. In some, a direct approach shows transparency and openness, whereas in others, this may cause strong negative fallout. It is the manager's responsibility to negotiate these pitfalls.

When your team members come from around the world, knowing how to adapt to work well with each individual person is not enough. You have to set a common ground as to how the team will collaborate. The best managers understand cultural differences and know how to adapt at key moments but also clearly communicate the systems that the team will use to operate effectively. If you don't set that framework, you're in for a lot of inefficiency and frustration. For example, if you have some members on your team who come from a culture where people invest significant time developing personal bonds on the team, such as sharing coffee and meals or speaking about their personal lives, and others who come from cultures who place high value on getting right down to the task, you need to guide the team to find a common ground. Perhaps you bring the team together for a first face-to-face and you can explain that the sole purpose of that meeting is to develop strong interpersonal relationships. For following phone meetings, you might regularly set the first five minutes as a time for a personal check-in before everyone gets down to task. Whatever the purpose of the team, the more you clarify how the team will collaborate, the easier it will be to bridge cultural divides.

Now a day's "business has become war, but of a different kind. Earlier the enemies were known, the allies were obvious", today a firm does not even know from where the next attack to its

competitive position will come, who will launch it, and in what form. The corporate world is fast becoming a global minefield." Cross-cultural Human Resource Management becomes a "must" for international companies. There are many companies lost managing cross-cultural human resources, which will lead them to the fail.

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, behaviors, etc.; unfortunately, those differ or even conflict in cross-cultural organizations and groups. Values affect on the choice of models, means, and behaviors of people, and therefore become certain preference. Different nations have different psychology, way of thinking and behavior, 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.[Keeley, 2001:17-18]

Human Resource Management (HRM) Practices in Globalization

Effective use of cross-cultural teams in an organization can provide a source of experiences sharing and innovation thinking to enhance the competitive position of organization (Kearncy, Geberti & voelpel, 2009, stahi, Muznevski, volgt & Jonsen, 2010). However, cultural differences can also interfere with the successful completion of projects in today's multi cultural global business community (zanoni, Janssens, Benschop, NKOMb, 2010).

To avoid cultural misunderstanding and to win the situation, we have to focus on main domains of recruitment, selection, training, job description, performance appraisal system, compensation system, career planning system and employee participation with relation to cross culture.

There is a positive correlation between effective SHRM practices and organizational performance (beepak et al, 2003, sels etal 2003, singh 2004).

As International HRM plays important role on a function such as relocation, orientation and translation services to help employees adapt to a new and different environment outside their own country.

   a. The important work is recruitment and selection of employees, which requires careful evaluation of the personal characteristics of the candidate and his/her spouse.

   b. Training and development plays important role on orientation training to include sensitivity training and field experiences that will enable the manager to understand cultural differences better. Managers have to be protected from career development risks, re-entry problems and culture shock.

   c. To create a balance between the pros and cons of home country and host country evaluations, performance evaluations should combine the two sources of appraisal information.

   d. The Compensation systems should support the overall strategic intent of the organization but should be customized for local conditions.

Current Challenges & Issues in Human Resources Management (HRM) Practices

The Human Resources Management (HRM) has now believed as strategic importance in the achievement of organizational growth and excellence. Due to globalization organization move into the information age, organizations need to adapt to the changes in technology and the changing issues in management of the people.

• In the current situation few critical issues have clearly emerged - planning, acquisition and development of human resources, demands of the work place and, above all, evolving a strategy of dealing. In Human Resources Management practice, it covers all the conventional

areas of counseling, training and development, job enrichment, personnel management and industrial relations, as well as other relatively new areas.

a.   The Changing Roles and Responsibility of Human Resources Management (HRM) Function

The role and responsibility has been shifted from traditional HRM function to new emerging HRM function. Managing people, now a day's, become very crucial and challenging. HRM function has broadened, to include managing organizational capabilities, relationships, learning and knowledge management.

b.   Need of Innovating Human Resources   Management   (HRM)

Due to change in current Business environment and globalization, there is need of Innovating HRM such as drafting creative business strategies, Organizational restructuring, Creating social networks, Invoking new challenges, Shifting approach , Creating knowledge work force ,Human Resource Information System (HRlS) for Effective HRM.

Innovative trends in Human Resources Management (HRM)

- In this situation & working environment, there are new emerging trends are adopted by the organisation to enhance the Human Resources Management (HRM) practices in India.

•   **HR vision and Mission:** It very important attribute in (HRM) practices in companies and organisations. Organisations are working on "HR vision and Mission" to enhance the HRM practices.

- **Competency based HR Practices (CBHRP):** Now a day's organization are introducing Competency based HR Practices (CBHRP) for better HRM practices.

•   **HR Shared Services (HRSS):** Due to globalization

and cross cultural working environmental, now a day's companies are adopting HR Shared Services (HRSS) practices in HRM.

- **High Performance Work Systems (HPWS):** Due to globalization, highly competitive and cross cultural working environmental, now a day's companies are adopting High Performance Work Systems

(HPWS) practices for better performance evaluation.

- **Learning Organization (LO):** Highly competitive and cross cultural working environmental , now a day's companies are adopting learning organization practices for training the people and enhance their working skills.

•   **Virtual Team Building and Team Work:**

Due to globalization, highly competitive and cross cultural working environment, organizations are focusing on team work and virtual team building.

- **HR empowering systems and   Policies**- Creating HR policies, process based on trust, openness, equity and consensus.

•   **Motivation**- Now a day's organizations are creating

conditions in which people are Willing to work with zeal, initiative and enthusiasm; make people feel like winners.

•   **HR Score Card:** Highly competitive and cross

cultural working environment, organization are focusing HR Score card based performance appraisals.

- **Mergers and acquisitions**- HR issues and challenges: Now a day due to globalization & competitive environment, mergers and acquisitions are taking place. Due to this, organizations are facing HR issues and challenges. To resolve these issues & challenges HRM have good HRM strategy for Mergers and acquisitions.

- It becomes very important for a manager to deal with complex issues arising out of the cultural differences and mould the differences into benefits. The managers and employees in an organization should respect the other cultures prevailing in the workforce. This will enable them to eradicate the differences and unite them which further lead to attain the organizational objectives smoothly. The managers could deal with their employees with sound coordination and delegation becomes easy as well. The cultural differences in multinational companies are taken as positive factor and helps in building synergies. This shapes the organization to equip the best to fight against the rivals and get more competitive

advantage of it. Once the cultural differences are managed in proper way by the managers, it becomes easy for the organization to flourish in all cultures across the globe.

CONCLUSION

Human Resource Management practices are quite different from other aspects of business. Human resource now become source of competitive advantage and are impossible to copy. In the current Business situation & working environment. New emerging trends are adopted by the organization to enhance the Human Resources Management (HRM) practices in India. These days the organizations are emphasizing more on the competency, talent, creating healthy working environment and maintaining the emotional stability with increased performance.

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