Cross-Cultural Project on Human Resource Management: An Overview

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Abstract:

The globalization of business is increasing rapidly and the workforce is becoming multicultural increasingly. Global workforces are managing has increased pressure on human resource managers to identify and adapt to cultural differences, if it is ignored, it might result in cross-cultural misunderstandings. The international project cannot achieve its goal 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. The aim of this study is to get a clear concept of cross-cultural human resource management and to know how to manage the harmonious working relationship between expatriates and local employees by analyzing problems consist of the concept of cross-cultural human resource management. Problems exist between expatriates and local employees, and how to manage cross-cultural human resource management.

Key words: Cross culture, Human resource management, Cross cultural constraints, Culture study, Training & development.

Introduction

When the world entered the 21st century, globalization of business has increased rapidly. Global business is to run more effectively and successfully, It needs to face cross cultural problems. Today's world is very competitive, communication is essential for the successful performance of maneuvers daily.

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Understanding cultural differences and overcoming language barriers are some of the considerations employees of the organization should have while dealing with individuals of different cultures. Interacting in a new culture involves discovering and understanding differences, adjusting to new rules and developing competences that support to a person in getting on in an unfamiliar environment (Hofstede, 1980; Johnson, Lenartowicz & Apud, 2006).Culture is the most important things to understand in international projects. Many authors have interpreted the meaning of word culture differently; they have different opinion concerning culture and one of the American anthropologists Kroeber and Kluckhohn (1952) have given more than 160 different definitions ofculture (Thomas, 2008), According to their definitions, Culture consists of patterns, explicit and implicit of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts: the essential core of culture consists of traditional (I, e, historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action; on the other as conditioning elements of future action (Holden,2002,p.21).

According to (McClelland, 1973: 1-14) and (PMI-2013)Cross-culture means from one culture to another culture. Cross-culture is a trend born by market globalization; company goes out of their country to another country to do business, brings their own culture with the companies to another culture.And Management is to use right people in the right way to do right things, in another way, and management is to plan, lead, organize and control. Actually culture refers to the complex whole which includes knowledge, beliefs, attitudes, language, customs, rituals, behavior, faith/religions, food, arts/drama/music and many other capabilities and habits required by an individual as a member of society. When the company crosses the border to do business with these culture and host country has same or different culture then two countries mixing become a cross culture. So international project manager faces cultural difficulty and manage the multicultural workforces.

International companies need to overcome this cross cultural challenges and promote the business in the competitive market. When it comes to costs & benefits, human resource management is critical for survival, performance and success of projects. Human resource

management plays a vital 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. In this study, will have a clear concept of cross cultural human resource management and conceptual framework to overcome the cross culture in the international projects by managing multinational workforces.

Objective of the Research

The main objective of this research is to identify the problem and difficulties of cross cultural human resource management in the international business projects, and some solutions to overcome multicultural problems and to success the multinational projects by achieving their goals. In this context, to have a proper and clear idea about the cross cultural issue and study covers the following aspects:

1. To define the cross cultural project human resource management.
2. To identify the problems may exist between expatriates and local employees in international companies regarding Cross-cultural Human Resource Management.
3. Assigns some solution to manage the cross cultural human resource.

Significance of the Research

The key significance of this research is:

1. The cross cultural problem assessment result of this research can be used as a baseline to compare the success of or impact of future improvement efforts in international projects.
2. This research work can help the international project to achieve their goals by managing different cultural workforces.
3. It should be identified gaps in the existing problems for further refinement of cross cultural problems.

Literature review:

International business needs to supply high skills workforces for managing their business, overcoming cross cultural problems and then will gain the decisive competitive advantage (World Economic Forum, 2010a). International enterprise perspective, Human Resource Management plays the structure in an organization that is responsible for the entire decision-

making, strategy implementation, principles, operations, practices, functions, activities and processes related to the management of multicultural workforces (Society for Human Resource Management, 2008). The ideas behind these principles, policies and practices of managing people inorganizations differ with people from differing cultural backgrounds requiring HRM tobe carefully examined and altered to match their organizational objectives (Society forHuman Resource Management, 2007).

The human resource management of foreign subsidiaries or foreign joint ventures becomes the keyto international human resource management for internationalbusiness projects. 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 leads to failure in competition. There are many types of research, about international human resource management, which are close to this 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 types of research talkingabout the harmonious working relationship between the expatriates and local employees. Therefore, my topic is valuable to study.

Methods of the Research

The research will use data sources to collect information relevant to reaching the research objectives. The information will collect from previous journals, thesis paper and publication concerning cross cultural human resource management and this study will be a conceptual framework for the future researcher to get data that will helpful in drawing conclusions and giving recommendations on cross cultural human resource management for the international enterprises.

Discussion

In this Chapter, we will introduce related conceptsregarding cross-cultural human resource management. These concepts will be helpful to understand the cross-cultural human resource management deeply and comprehensively and further builds a clear picture of it. After the concepts studying, we will apply the suggestion to analyze the cultural differences which can be beneficial for starting up new business projects and manage the international workforces to achieve its goals and compete in the competitive markets.

Human Resource Management

Human Resources Management (HRM) is the process of managing people in organizations in a structured and thorough manner. It is both the "art and science". It is an art, in the sense of managing people by creative and innovative approaches and it is a science as well because of the precision and rigorous application of the theory that is required. It plays an obvious role in assuring employee satisfaction, improving performance, productivity to meet the objective and success of any organisation. Human resource management is the functions performed in organizations that facilities the most effective use of people to achieve organizational and individual goals.

Human resource management refers to the practices and policies you need to carry out the personnel aspects of your management job, specifically, acquiring, training, appraising, rewarding, and providing a safe and fair environment for your company's employees.
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.
b. Staff recruitment and selection
c. Training and development
d. Performance assessments
e. Employee health and safety
f. Compensation management
g. Staff motivation
h. Labor relations management

International Human Resource Management

The international human resource management requiresdifferent form and more than human resource management. Therefore, the international human resource management refers to that in the environment of global enterprises, multinational or international enterprises, conducting the human resource management. Besides the normal functions that human resource management includes, such as staff recruitment and selection, performance assessment, compensation management, and employee health and safety, the international human resource management will have more to do, which are not necessary for a domestic environment, such as international taxations, international relocation and orientation, administrative services for expatriates, host-government relations, and language translation services, those make international human resource management more complicated to research and manage (Dowling*et al*. 2008). International human resource management needs to deal with broad range of people and government of host country.

Differences between International HRM and Domestic HRM

In Human resource management perspective, have some differences between international HRM and domestic HRM, which leads to successful management in both aspects. Description in table-1

Table 1: Differences between IHRM and Domestic HRM

International HRM	*Domestic HRM*
• Address a broad extent of HRM activities	• Address a limited extent of HRM activities
• HR issues relate to employees belonging to more than one nation	• HR issues relate to employees belonging to single nation
• Greater involvement of HR manager in the personal life of employees	• limited involvement of HR manager in the personal life of employees
• Greater exposure to risks in international assignments	• Limited risks in domestic assignments
• Managing several external factors such as government regulations of host country	• Limited external factors to deal with.

Factor of Cross cultural human resource management

Cross-cultural human resource management is the key part of cross-cultural management, It is a sequence activities based on characters of culture differences of staff selections, performance assessment, salaries management, and so forth, to enhance theeffectiveness 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 behaviors. This is a cross-culture macro level.

b. To the concept level, which is practical 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 marriedto 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 project 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 the group a team; after that, the employees feel at home in the company, feel like they are part of his/her company, have a 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 behaviours 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,

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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 awful consequences, say, decreasing functioning efficiency of organizations, costing more for operations, and creating conflicts. (Keeley, 2001:17-18)

The features of cross-cultural human resource management

International companies are 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.

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.

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.

Cross Cultural Constraint

Cross cultural skills require considerable time, training, teaching, experience, knowledge, susceptibility and awareness. Lack and ignorance of such inter-cultural expertise result in miscommunication and mismanagement, thereby having serious implication on business service, project failure and increased competition in the global market. Also create triple constraints like the following aspect;

■ Miscommunication on scope

■ Mismanagement on inter-cultural perspective

■ Misunderstanding on exact form of deliverables

■ Attitudes toward schedules result in missed deadlines, long delays

■ Over budget projects

Recommendations

In this part, Recommendations are going to be given in the theory perspective of view, such as culture perspective to study, cross-cultural training to development efforts and expatriates selection to success in competition. These recommendations may still be helpful to any subsidiary or joint venture or international project.

Cultural Study

All international companies have to face cultural problems when going to a new country to set up a subsidiary or a joint venture or business enterprise. Culture itself is not defined different by more predominant or inferior, developed or developing, or even right or wrong; instead, every culture is born in hundreds or thousands of years of history, it presents people's thoughts, values, norms, habits, and behaviors. Therefore, in an international company, all employees and managers from a foreign and the local country have to treat the different culture right. To do this, we will discuss it from two perspectives: the foreign expatriates' part, which represents the culture of where they come from, and the local employees and managers' part, which represents the culture of their own country.

Foreign Expatriates: As an expatriate, he/she needs to prepare for the culture he/she will face before going to the destination country. To learn a culture is so difficult for an expatriate in alittle period, because there is no culture can be learnt from books or by an introduction on a TV programs; even so, it doesn't mean that there is no need to get some facts and study the destination culture for the expatriate. It is important that learning a culture for an expatriate should be based on the respect for the new culture, and hold an equality to the both cultures; onlythrough respect and equality, can the destination culture and the culture differences be understood without prejudice, can the international company be in a no culture distance working environment (Zhang, 2001).

Local employees and managers: The local employees and managers, who hold the majorityof the labor numbers and his should respect the coming culture. Before the upcoming of the foreign expatriate, the home managers can give the right direction to the employees about the approaching culture; introduce some knowledge which should be noticed when

behaving in the presence of the foreign expatriate. Of course, these actions done by local managers are based on their knowledge and understandings about the approaching culture.

Levels of cultural study: Without cultural knowledge an international company cannot success in competition, because international companies have to face a lot of customers who are from different culture, if they don't have knowledge of different culture they cannot handle the customer successfully. we will introduce some levels of cultural study below;

- Culture: Shared pattern of ideas, emotions and behavior, crossing national boundaries
- Cultural Knowledge: Familiarization with characteristics, history, values, of another ethnic group
- Cultural Awareness: Developing sensitivity and understanding of another ethnic group
- Cultural Sensitivity: Knowledge that cultural differences and similarities exist without judgment
- Cultural Competency: Development of skills and programs that allow individuals and groups to function effectively and appropriately in diverse cultural interaction and settings.

Cross Cultural Training and Development

Cross-cultural training is seen as the principal method of extruding cultural conflicts and realizing effective cross-cultural management. It is seen as decreasing the cultural conflicts the expatriate may face, so as to make the expatriate get used to the new environment and work well without fears; to maintain a stable interpersonal relationship in the company, and to strengthen the team spirit and solidity force in the company, etc. But in this thesis, the most important goal is to decrease the creation potential of cultural conflicts between the foreign expatriates and the local employees and managers. To realize this goal, a company canfollow these directions:

a. Emphasis on both cultural training

b. Language training.

c. Training in global manners and the nuances of the virtual workplace culture.

d. Managing personal

e. and family life

Selection of Expatriates

Expatriates selection play a very important role in the international company, a good expatriate can be helpful for decreasing expenses for the company, bring much more profit for the company and win in a competition in the competitive market. Still it is very difficult to choose the right person to the right country to do the right job in international companies at this time. But, there are few can be precisely the "right" one, at least the chosen one can do better and better is good.

There are some criteria that are talked most: adaptability, professional ability, age, experiences and language.Adaptability means the ability the expatriate has to adapt to the new changing cultural environment. Professional ability means the working ability an expatriate should have. Age and experiences is another criterion. Younger people can adapt more easily to a new environment and learn a new culture faster, while elder people have more experiences. Language should be no doubt listed, if the expatriate can understand the local language, it must be the best situation that he/she can more easily communicate with local employees and decrease many problems (Yan, 2004).

Framework for Effective Cross Cultural HRM

When dealing with cultural differences there is nothing more important than being friendly. Some framework for effective cross cultural project human resource management in the international enterprise;

- **Learn:** Try to learn differences of culture exist in the management
- **Understand**: use the cultural dimensions to know what differences to expect among the people who are came from different cultures.
- **Take advantages:** build on the differences to identify and mitigate risks, increase the level of innovation and quality of deliverables, find alternative approaches and achieve objectives.
- **Respect the differences**: accept and show respect for different standpoints.

Conclusion

When an international company comes to abroad or cross the border to set up a new enterprise, it has to face a lot of problems and one of the most common problems is across cultural problem. From an internal management perspective, human resource management plays an important role in cross cultural management. This research condenses on the cross-cultural human resource management problems existing in the degree of harmonious working relationship between foreign expatriates and local employees. In order to analyze this, firstly we needed to have a series concepts regarding cross-cultural human resource management; we analyzed cross-cultural management, human resource management, international human resource management, and characters and functions of them separately. Then we have given some suggestions to overcome the cross cultural problems for the success of the international projects. So, for later studies, we would like to dig more in to cross-cultural human resource management and see the development efforts to cross cultural project human resource management in a competitive market.

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