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## NATIONAL CULTURES AND SPECIFIC HRM ISSUES

L.A. Ignatenko, Candidate of Science in Pedagogics, Assistant Professor  
Simon Kuznets Kharkiv National University of Economics

Abstract. The article is concerned with national cultures and HR selection criteria policies in different countries.

Key words: national culture, motivating factors, differences, selection criteria, training policies, HR.

## НАЦІОНАЛЬНІ КУЛЬТУРИ ТА СПЕЦИФІЧНІ ПИТАННЯ УПРАВЛІННЯ ЛЮДСЬКИМИ РЕСУРСАМИ

Л.О. Ігнатенко, кандидат педагогічних наук, доцент  
Харківський національний економічний університет ім. Семена Кузнеця

Анотація. Стаття присвячена опису національних культур та критеріям політики відбору людських ресурсів в різних країнах.

Ключові слова: національна культура, мотивуючі фактори, розбіжності, критерії відбору, політики навчання, людські ресурси.

The procedures that are followed by companies in various nations, be it a domestic single nation firm or a multinational multicultural one, are different due to different societal and internal organizational factors. In advanced industrialized countries, such as the US, perhaps because of managers' high level of professionalism, formal procedures such as assessment centers, interviews and written tests are employed to select the appropriate person. In many traditional and industrializing societies, such as some Middle East and African nations, recruitment especially to higher ranks is largely done through informal networks of relatives, friends and acquaintances. This should not be confused with nepotism, which of course exists in many societies industrially advanced or not. Rather, this is a time-honored way of doing things, and is also in response to the limited scope and development of mass communications media and their use for advertising job vacancies. Moreover, many companies in some of these nations do not have highly specialized departments or functions regarding, for instance, selection and training of new recruits. Some of the western-style selection techniques have not crossed their borders yet, perhaps by design and for better or worse.

There are also variations within industrialized and industrializing nations as well as between them. For example, in Japan companies aim at selecting someone with broad educational qualifications who will then be put through months if not years of formal training and on the job cross-functional experience. The aim is to create a flexible and skilled internal workforce which would then be able to perform nearly any job if called upon [1].

In the US the selection criteria are primarily based on specialism which would allow the new recruit to fit the already determined position, with or without further training as may seem necessary at a later stage. In response to such policies American educational establishments such as business schools, which have close relationships with major companies, are also geared up to provide specialists,

managers and employees. They do in fact, arguably, provide training rather than education for future managers [2].

In Britain, where such close relationships between industry and academia do not exist to any great extent, new recruits are selected on a broadly fit-the-job basis, and are then trained to perform that job properly.

In most companies, new recruits are usually subject to some sort of induction and a period of initial on-the-job training, especially for skilled jobs. Later as the need for learning new skills and competencies arises, employees undergo further training. Training in some countries takes the form of informal apprenticeship, in others is more formalized and takes the form of either in-house tuition or externally-provided services, or a combination of the two. In the UK for instance until a few decades ago apprenticeship was a widely-used form of employee training, it has now been replaced by more formal courses. In many developing nations apprenticeship is still the main channel through which new recruits learn the skills needed to perform their jobs. The relationship between the young recruit and the supervisor is very much like that between teacher and pupil, even parent and child.

Training policies and practices in many countries are recognized as management prerogative, and therefore are not prescribed by the law. However, in some nations such as France, medium-sized and large companies are required by law to spend a certain percentage of their annual turnover on employee training. Traditionally, Japanese, German and US companies spend a large amount of their time and finances on training their employees upon recruitment and also later throughout their career with them. By comparison, some nations like the UK do not rank as high on this aspect of HRM [3].

Many theories on motivation were developed, mainly in the United States, in the 1950s and 1960s. Of these the most significant were related to achievement motive (McClelland,1961), hierarchy of needs (Maslow,1954), and hygiene and motivating theory (Herzberg,1966), all of which by implication could explain people's expectations from their job.

The debate about motivation concerns the need for achievement or achievement motive. In all societies the majority of people want to do well and have certain goals that they strive to achieve. The implication is that if you are ambitious and wish to succeed at work and indeed in life, you put in more energy and efforts and work harder in your workplace and elsewhere in order to achieve what you want. McClelland who was a proponent of this kind of argument further suggested that in economically- advanced societies people's need for achievement tends to be higher compared to those in less developed nations. And that is why ambitious people as a nation are successful. He also implied that individualistic nations have a higher need for achievement compared to the collectivist ones, and that is why they are more economically advanced.

Arguments of this kind have since been regarded as simplistic and are now dated (Tayeb,1988, Kanuango and Mendonca, 1994). For example, when one looks at many collectivist countries, such as Japan and China, which have achieved

phenomenal economic success in the decades since McClelland wrote his book, one does not find their achievement motive wanting[4].

The apparent difference between various societies with regard to achievement motive and ambition may lie behind the way in which people view these issues. In individualistic cultures, an individual strives for his or her own achievement in life. By contrast, in collectivist nations, the achievement of the group is what matters. For instance, in the collectivist India some people spend their life's savings on their children's education so that they get good qualifications, find a good job, and marry a person from a respectable background, etc. If necessary, all the members of the extended family, from grandparents to uncles and cousins and second cousins, may collectively support the education of the younger generation. The children's achievement is the achievement of the family as a whole, and their failure brings shame to the whole family. Children in turn try to do well not only for themselves but also for the sake of their family, who will thereby be elevated to a higher status.

As far as companies are concerned, employees need for achievement and success at work could manifest themselves in an individualist or collectivist manner, depending on where the company is located and which culture the employees come from. This could have implications for teamwork versus individual assignment and corresponding reward and inducement policies.

Maslow (1954) introduced the notion of a needs hierarchy, consisting of, in ascending order, physiological, safety, social, esteem, and self-actualization needs. Further, he argued that what motivates people depends upon their individual circumstances and where their unsatisfied needs are located on the need hierarchy. Each set of needs comes into effect as and when the one lower down has been satisfied. For instance as long as a person is hungry and has no shelter, food and a safe home are the only rewards that can motivate him to do a job assignment. Once those needs are satisfied, a promise of more food and shelter will cease to act on him as a motivator, because now the next level up, e.g. social standing, becomes active as motivator, and so on it goes. Maslow's model implied universality of the hierarchy of needs, that it applies to all nations and all cultures.

A somewhat related theory, put forward by Herzberg(1966), distinguishes between hygiene factors, or features of the job which are external to it, such as pay and benefits, working conditions, job security and holiday entitlement, and motivating factors, features which are intrinsic to the job, such as intellectual or physical challenge, variety, autonomy, power, and etc. Herzberg further argued that the hygiene factors are not motivators, but they do decrease employees' motivation if they are not provided at acceptable levels. The intrinsic motivating factors, as their label implies, actively motivate people by providing them with a sense of achievement, recognition, responsibility and opportunities for personal growth. Herzberg's theory too implies that it is universal and similarly applicable across nations, regardless of their cultural differences[4].

If you put Maslow's and Herzberg's theories side by side, you will notice that the hygiene factors are located on the lower levels of Maslow's needs hierarchy, and

the motivating factors on the higher levels. On the basis of this position one can argue that some people are motivated by extrinsic hygiene features of the job, and others by the intrinsic motivating ones. This can also be linked to the conditions under which people assign significance or importance to either intrinsic or extrinsic factors: a poor person is more likely to want to have more pay than decision making power, a rich person would prefer the opposite.

Extrapolating this argument to national cultures, one could argue that in some cultures people might prefer extrinsic rewards, in others intrinsic rewards are sought. This is of course a simplistic argument. People are very complex and their expectations from their job depend on a whole host of factors. It is therefore unwise to make any generalization about them on the basis of the culture they belong to. The above theories have indeed been challenged and proved unsubstantiated when cultural and other differences are taken into consideration.

Here is an example. As part of an extensive multi-staged investigation into the implications of national culture for organizations Tayeb (1988) conducted an employee attitude survey questionnaire in a sample of English and Indian organizations. The questionnaire included, amongst others, a number of items derived from various motivation theories. She found that the two features which were of utmost importance to English employees were being creative and imaginative at work and having an opportunity to learn new things. These were closely followed by good pay and job security. Having freedom and independence ranked fourth. The least important feature of the job was “belonging to a group”[4].

To the Indian respondents the most important feature of a job was having an opportunity to learn new things. It was followed by ‘being creative and imaginative at work’, ‘having freedom and independence’, and ‘status and prestige’. ‘Belonging to a group’ was of least importance to the Indian employees, but they gave it significantly greater importance than did their English counterparts. In addition, freedom and independence were more important to Indian employees than to the English employees. Good pay and fringe benefits were more important to the English employees than to the Indian employees.

As one can see, to the assumptions behind Anglo-Saxon theories, to Indian employees the so-called intrinsic aspects of a job – learning new things, having freedom and independence, and status and prestige – were more important than the extrinsic ones; to the English employees a mixture of both – learning new things, being creative, good pay, job security, and having freedom and independence – was important.

Different nations have developed and hold different views on these aspects of HRM. In many traditional societies such as some of those in the Middle East, loyalty to a superior takes preference over effective performance of subordinates as measured by the western notion of quality and quantity of output (Mellany,2003). Moreover, sometimes coherence and harmony in a company are more vital to its smooth running and survival in uncertain economic and political circumstances

than setting out performance measures which would encourage competition and perhaps discord among employees and departments.

Going back to the individualism/collectivism debate, in collectivist cultures performance appraisal could be team based. Teams and not individuals are also subsequently rewarded for higher productivity. In individualistic cultures, by contrast, the individual-based performance appraisal and reward systems are usually the norm.

The assessment of employees' performance and the kind of rewards that they might be given are further influenced by the class system inherent in capitalist societies. For instance, the performance of managers and other higher-level white-collar employees are usually assessed by setting targets and objectives to be met within a certain time, and through employee-generated periodical reports. But for blue-collar workers performance is measured by setting daily targets by their supervisors, for example number of units produced. And in many cases quality inspectors rather than the employees themselves judge whether or not a job has been properly done[5].

Segalla's (1998) study of 100 European managers is a good example of differences in a number of countries with regard to promotion, remuneration and redundancy decisions [1].

The German sample stood nearly alone in its concern for promoting managers on the basis of objective performance criteria. French managers were at the other extreme in basing promotion on seniority or group loyalty criteria. The German sample again stood alone with its concern that remuneration should be based on measurable individual performance factors. Again the French sample held the extreme opposite belief that remuneration should be based on group, not individual, performance. English managers most often based staff reduction decisions on the performance-to-salary ratio. More than 70 per cent of the English respondents would have made redundant a middle-aged, high-salary manager with average performance. In contrast, less than 10 per cent of the German respondents would have discharged the same manager. They favored discharging young managers who could find jobs more easily, thereby preserving social stability. French respondents were not as concerned with the ratio of performance to salary as the Italian or Spanish. They usually made average-quality employees redundant but were more likely to choose a younger-quality manager than an older one.

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