CHAPTER 1

Human Resource Management’s

Strategic Pressures

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# Personal Learning (PL) Activities

# PL 1: Assessing your competencies for working globally

As managers work in a more global environment, they have to balance strategic objectives with those of other countries. As governments set up facilities in foreign countries for trade and international cooperative, it is much more challenging for HR as it involves blending the values that the government holds true to the culture of the country they are working with. Japanese organizations who have set up global operations do this especially well in North America. Their HR system focuses on careful selection procedures, a commitment to training and employee engagement in work life and producing a high quality product for customers. However, even though setting up facilities overseas is more complex, HR managers have a unique opportunity in facilitating a relationship which meets the economic and social needs of company and workforce.

The global context requires four types of skills:

*Adaptability* – This is defined by eight dimensions: “handling emergencies or crisis situations, handling work stress, solving problems creatively, dealing with uncertain and unpredictable work situations, learning work tasks, technology, and procedures, and demonstrating adaptability – interpersonal, cultural, and physically oriented.”[[1]](#endnote-1)

*Global mindset* – As a global manager, there is a requirement for a more cosmopolitan rather than local perspective on events and issues. This involves being sensitive to many cultures and their differences and to work experiences in more than one country. It also involves a readiness to be involved throughout the world in seeking clients, technology, supplies, innovations, and employees.

*Cultural agility* – This involves being respectful of cultures, people, and different points of view. It means being socially competent, empathetic, and able to get along with others, as well as being interesting and curious to learn about other people.

*Relationship management* – As problems are more complex, there is a greater need for collaborative decision making and problem solving. “Knowing who” becomes more important than “knowing how.” “Knowing who” and when to seek input is more important than being an expert on every issue. [[2]](#endnote-2)

***Task:***

For each skill set, define the knowledge, skills, abilities and other characteristics that are important for you to develop to be more competitive in a global workforce. Assess your strengths and weaknesses on each of these dimensions.

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# PL 2: Reviewing the experiences you have had with HR

The experiences that you and others have had with HR provide a snapshot of what HR is like and its importance to you. You are asked to describe examples of experiences you have had with an HR manager or the HR system. Think of public sector and private sector experiences. This experiences might relate to (i) looking for a job, being interviewed, and completing an application form, (ii) getting selected or terminated, (iii) being assigned job responsibilities in relation to the job description, (iv) getting trained for a job and being instructed on what to do, or (v) being evaluated or disciplined.

Describe as many experiences as come to mind. Your instructor might begin the class by asking you to describe your experiences. You might be asked to meet with a group and relay your experiences and then report them to the class.

* What are the dominant themes? Were there any differences in public and private sector experiences?
* Were the experiences mostly positive or negative experiences? If they were positive, what made them positive? If they were not positive, why were they not positive?

# PL **3:** **Understanding Cultural Differences in Applying HRM Ideas**

HR managers often find that ideas that have worked well at home don’t work as well in other countries around the world. More important than so-called universal principles of management are the features of the culture in understanding differences in motivation, management styles, and organizational structures of organizations throughout the world. The differences are be traced to the collective mental programming of different national cultures.

The GLOBE research project now going on includes 9 factors and expanded Geert Hofstede’s 5 factors defining culture. Here, we apply Hofstede’s 5 factors.

Hofstede often began his class with a well-known experiment.[[3]](#endnote-3) The class is presented with an ambiguous picture which, depending on your perception, can be seen as a young or old woman. What does it look like to you?



Some people see a cranky, old woman looking down while others see a young woman looking away.

 In the experiment, Hofstedte asks half the students to close their eyes while he gives them a 5 second look of a slightly altered version of this picture where only the young woman can be seen. Then, those who saw the picture are asked to close their eyes and the other half is presented with a picture of a slightly altered picture, one where only the old woman can be seen.

After each showing, the above ambiguous version of the picture is presented to the total class. The results are interesting. In most cases, those people who were conditioned to seeing the younger woman see only the younger woman and most of those who were exposed to the older woman see only the older woman. Each group usually finds it difficult to see the other image or to explain to others how to perceive the picture in a different way.

Hoftsedte uses this little experiment to illustrate the how easily we can be conditioned to see things in certain ways. If students can be conditioned to see an older or younger woman in just five seconds, how much stronger are the affects of years of unique life experiences and education in shaping the values and beliefs of a culture?

In describing “the culture of a group, a tribe, a geographical region, a national minority, or a nation, culture refers to the collective mental programming that these people have in common.” Culture exists in the minds of people and also is crystallized in the institutions, forms of governance, lays, literature, and ways of working.[[4]](#endnote-4)

The position of the country on five bipolar dimensions provides a picture of how the society operates and possible differences we have in mental programming.

1. Power distance: The extent to which the less powerful members of an organization and institutions (like the family) accept that power is distributed unequally.
2. Individualism: The degree to which individuals are individuals as opposed to being integrated in a group or whether they would rather act individually.
3. Masculinity: The distribution of roles between the sexes describes the difference between assertive (masculine roles) and nurturing roles (feminine). Women in feminine countries have the same nurturing values as men while they are somewhat more assertive and competitive in masculine countries.
4. Uncertainty avoidance: Some people are more uncomfortable in unstructured situations which are novel and unknown. Uncertainty avoiding cultures tend to minimize or avoid uncertainty and adhere to stricter laws, roles and practices for being safe and secure.
5. Long-term and short term orientation: A long term orientation reflects values which are oriented toward the future (like thrift and savings and persistence) while short term orientation recognizes values of what was done in the past and present (like respecting tradition and fulfilling social obligations. [[5]](#endnote-5)

**Task**

Nearly 80% of the world’s population live in countries that are not rich but poor. Meanwhile, the United Nation and G20 countries have committed themselves to the Millennium Development Goals emphasizing the development and eradication of poverty and hunger. If one thing is clear, it is that progress is slow and that the export of Western management practices and theories need to recognize the culture of the developing countries they are working in.

You are asked to consider the cultural differences among three Western countries (North American, Germany, and the Netherland) and two developing countries (Indonesia and West Africa) and make specific suggestions to assist these Western countries working in these developing countries.

1. Rate each of the countries as high (H), medium (M) or low (L) on each of the five dimensions below.

*Power distance*

*Equal <------------------> Unequal*

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Valuing equality Accepting unequality

In power relations and difference in power relations

*Collectivism Individualism*

*<------------------>*  |\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_|

Valuing being integrated in the group Valuing individuality

*Femininity Masculinity*

 *<------------------>* |\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_|

Nurturing Assertiveness &

 competitiveness

*Uncertainty avoidance*

*Unstructured, novel situations Structured rules and roles*

*<------------------>*  |\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_|

More comfortable in unstructured Comfortable in structured situations

*Short term Long term*

*Orientation<------------------> Orientation* |\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_|

Respect for tradition and Focus on future

social obligations (thrift and savings)

1. Rate each country using the chart below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Accept Power distance as unequal | Seek Individualism vs. collective | Seek to be assertive (Masculinity) | Seek structure in avoiding uncertainty | Focus on future & long termorientation |
| United States  |  |  |  |  |  |
| Australia |  |  |  |  |  |
| Japan |  |  |  |  |  |
| Germany |  |  |  |  |  |
| Netherlands |  |  |  |  |  |
| Indonesia |  |  |  |  |  |
| West Africa |  |  |  |  |  |
| H = high third, M – medium third, L = bottom third  |

*Questions:*

1. *Given the five dimensions, which ones are most important? What are the dominant profiles of each country? Review the scores below.*
2. *Compare the dominant profiles of Western countries with the developing countries?*
3. *What essential HRM practices are central to each dominant profile? For example, group and team methods are more appropriate for collectivist societies while individual work and job descriptions might be recognized in an individualistic society.*
4. Compare an organization’s values (like Tim Horton’s or Starbucks) with the values of countries like Canada and Japan. What would you recommend for entering these countries?

Scores and interpretation: In comparison to other countries, the North American profile (USA and Canada) and below average on power distance and uncertainty avoidance, highly individualistic, fairly masculine (assertive, competitive) and short term perspective. The Japanese are different on all dimensions, but less on power distance. The Germans illustrate a stronger uncertainty avoidance and less extreme on individualism. The Dutch are like the Americans on the first two dimensions but are much less assertive and aggressive and more nurturing, and a long-term orientation.

The Indonesian and West African are markedly different from the Americans on the first three dimensions. They are more accepting of power distance as unequal, less individualistic, and moderate on assertiveness. They have similar tendencies to seek structure and focus on a longer term orientation.

 The results might suggest that these developing countries – Indonesia and West Africa – are more accepting of HR practices which are more directive and differentiate between individuals. They are less inclined to be individualistic, and individuals are more likely to be respectful of the group to which they belong (such as the family) and to differentiate themselves between in and out groups. They are loyal to these groups for life.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Accept Power distance as unequal | Seek Individualism vs. collective | Seek to be assertive (Masculinity) | Seek structure in avoiding uncertainty | Focus on future & long termorientation |
| USA | 40L  | 91H | 62H | 46L | 29L |
| Canada | 35L | 80H | 50M | 43L | 20L |
| Japan | 54M | 46M | 95H | 92H | 90H |
| Germany | 35L | 67H | 66H | 65M | 31M |
| Netherlands | 38L | 80H | 14L | 53M | 44M |
| Indonesia | 78H | 14L | 46M | 48M | 16L |
| West Africa | 77H | 20L | 46M | 54M | 16L |
| H = high third, M – medium third, L = bottom third among 53 countries for first 4 dimensions and 23 countries for the fifth dimension.  |

# References

1. Cascio, W.F., & Aguinis, H. (2008). Staffing twenty-first-century organizations. Academy of Management Annals, 2, 133-165: 138. [↑](#endnote-ref-1)
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3. Hofstede, G. (1980). Motivation, leadership, or organization: Do American theories apply abroad? Organizational Dynamics, Summer, 42-63. [↑](#endnote-ref-3)
4. Hofstede, G. (1980). Motivation, leadership, or organization: Do American theories apply abroad? Organizational Dynamics, Summer, 43. [↑](#endnote-ref-4)
5. Hofstede, G. (1993). Cultural constraints in management theories. Academy of Management Executive, 7, 81-94, [↑](#endnote-ref-5)