

Lecture 2- Cross cultural HRM: Differing National Contexts and the Impact of National Culture

<p><u>Stages of HRM Development</u></p> <ul style="list-style-type: none"> • Stage 1 (1900-1940s): welfare & administration • Stage 2 (1940s-mid-1970s): welfare, administration, staffing & training • Stage 3 (mid-1970s-late 1990s): HRM & SHRM • Stage 4 (2000+): SHRM into the future 	<p><u>The Harvard Model</u></p> <p>Suggests that SHRM strategies, policies & processes fall into 4 broad areas:</p> <ol style="list-style-type: none"> 1. Employee influence & involvement (employees encouraged to share ideas, etc.) 2. Human resource flow (selection, recruitment, performance, etc.) 3. Work systems (consideration of the 'fit' between employee & workplace) 4. Rewards systems
<ul style="list-style-type: none"> • Essentially managerialist (emphasis on management & employee accountability) • Imperatives include principles such as: efficiency, effectiveness, productivity, labour flexibility & competitive organisational advantages • Push for managerial prerogatives • Dominant strategic emphases as: 'productivity enhancement, cost minimisation, work intensification & seek markets abroad 	<p><u>Unitarist or pluralist approach?</u></p> <ul style="list-style-type: none"> • HRM models based on assumptions, values & beliefs about employee/employer relationship • A single model of HRM will not be appropriate for all environments • Unitarist approach – assumes a common interests between employers and employees (encourages commitment) • Pluralist approach recognises that employees/employers will invariably experience 'conflict of interest' which will need resolution
<p><u>Soft and hard HRM</u></p> <ul style="list-style-type: none"> • <i>Hard HRM</i> has a strategic & managerial focus, emphasises on effective utilisation of HR towards broad organisational objectives & goals • <i>Soft HRM</i> infers the involvement of employees through consultation, empowerment, commitment & communication <p><u>Business systems theory, 5 models:</u></p> <ol style="list-style-type: none"> 1. Anglo-Saxon markets model 1. Continental European model 2. Asian capitalism 3. Social democratic economies (Nordic); & 4. Mediterranean model 	<p><u>Strategic HRM:</u></p> <ul style="list-style-type: none"> • SHRM emphasises the need for HR plan & strategies to be formulated within the context of overall organisational strategies & objectives • To be responsive to the changing nature of the organisation's external environment • Strong implication that SHRM should be developed on a long-term basis • Resource-based model – 3 main foci (HR strategies, models must fit business strategies & plans)

<p><u>International Perspective - SHRM</u></p> <ul style="list-style-type: none"> • Focused primarily on expatriate managers & employees in MNC • Now more integrated perspective with SHRM • Now recognised the growth of international operations of many kinds • SIHRM now encompasses 3 major aspects of SHRM: <ol style="list-style-type: none"> 1. Strategic HRM in MNC (impact of culture & context on SHRM) 2. Comparative HRM 3. The management of expatriates in different countries or regions 	<p><u>Globalisations- Culture and institutions</u></p> <ul style="list-style-type: none"> • HRM carried out & measured in different ways in different countries • 'best practice' rejected as a general standard • Most cross-cultural studies fail to demonstrate a 'causal link' between cultural dimensions of a nation & specific behaviours/actions • Other factors must be considered – institutional effects • Economy • Welfare socialism • Family strength • Level of education • <i>To summarise</i> – national culture is not the only explanatory factor behind differences in behaviour across nations
<p><u>WEIRD</u></p> <ul style="list-style-type: none"> • Critique of institutional theories is that they are heavily focused on the WEIRD (Western, Educated, Industrialised, Rich, Democratic) countries & ignore many parts of the world • Isomorphic Processes – Coercive: pulls resulting from pressures such as states, legal environment, culture • Mimetic – where organisations model themselves on other organisations in the field as a standard (benchmarking, etc.) • Normative – results from professionalization of functions & individuals 	<p><u>Regulationism</u></p> <ul style="list-style-type: none"> • Regulation theory – Regulationism argues that the key is the way that national regulation provides sets of rules (both formal and informal) that control the innovation and experimentation of firms (Jessop 2001). They assume that change is endemic and every situation is open to dynamic forces that may lead to change. • Regulations can be found at every level – supra-national, national regional, regional, sectoral, etc. • Regulationist argue that the elitist short-termism of shareholder model is dysfunctional for society as a whole