

The Role of Human Resource Management in Cross – Cultural Environment – The Way to Managerial Communication

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Abstract

Today the business environment has become multifaceted and competitive, products have become knowledge-based and the workforce has become culturally diverse. Rapid developments in technology, communication network and computing capabilities have changed the communication within and among the organisational settings, consequently to employ human resources with different ethnic and cultural backgrounds and education. As the workforce is becoming more and more multicultural and diverse it is not only necessary for human resources to gain knowledge of communication but also cross-cultural factors to achieve the objectives of the organisation successfully. This paper has been put together to discuss the role of human resources management (HRM) in a multi-cultural environment, the importance of managerial communication for the organisational effectiveness. Also to discuss how communication helps when it is understood in clear systematic manner to reach the goal of the organisation.

Key words: Human Resources, Management, Work Culture, Intercultural Communication, Managerial Communication.

1. Introduction

In international organisations, effective cross-cultural communication enables businesses to run more effectively and successfully. In today's competitive world, communication is essential for the successful performance of maneuvers daily. Understanding cultural differences and overcoming language barriers are some of the considerations employees of the organisation should have while dealing with individuals of various cultures. Often, business agreements are failures because the parties involved either did not take the time to learn about each other's cultures or they are short of time to understand and interact. As far as managers of the organisations are concerned, effective communication is essential for better performance of the important and basic functions of management: planning, organising, staffing, leading and controlling. It helps to perform the managers' jobs and responsibilities and serves as a foundation for planning. The essential information is communicated to the managers who in-turn communicates to employees so as to implement it. Organising requires valuable communication with others to learn about their job tasks. Similarly managers, who are leaders, must communicate efficiently with their subordinates so as to achieve the team goals. Finally, the function of controlling is not possible without clear written and oral communication of actions. The importance of communication in an organisation could be beneficial to:

- a) Promote motivation
- b) Help in decision-making
- c) Alter individual's attitude
- d) Help in socializing
- e) Assist in controlling the process of one's behaviour

Above all, an effective and efficient communication system requires managerial proficiency in conveying and receiving messages. Thus, the primary responsibility of a

manager is to develop and maintain an effective communication system in the organisation by discovering various barriers, analyzing the reason for their occurrence and to take preventive measures.

A common set of beliefs and outlooks form culture. In turn, culture is the context operated by people. When people from different cultures interact, they usually carry with them different perspectives, approaches, ideas and expectations, which can make communication challenging and also interesting. On the other hand, due to diversity in cultural thinking it is possible to run into miscommunication. However, understanding cultural gaps and differences can help to get through miscommunication.

2. Human Resources Management (HRM)

Human Resources Management (HRM) is the process of managing people in organisations 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 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.

The formation of people is the key resource for an organisation. Without people there is no organisation. Among all other resources that an organisation uses, human resource, without any doubt, is considered to have a prominent and important role in achieving the objectives. HRM help the organisation to achieve its objective through people. As Ulrich and Lake (1990) state, “HRM systems can be the source of organisational capabilities that allow firms to learn and capitalize on new opportunities”. HRM is the term widely used in management circles for the staffing function. Koontz and O’Donnel define the staffing function as “filling positions in the organisation structure through identifying work-force requirements, inventorying the people available, recruitment, selection, placement, promotion, appraisal, compensation and training of needed people”. Most importantly, HR functions are involved in the development and implementation of: organisational effectiveness, human resource planning, knowledge management, talent management, recruitment and selection, reward management, learning and development, employee relations, health and safety, welfare HR administration, fulfillment of statutory requirements, equal opportunity and meeting diverse needs, bridging the gap between expression and reality and any other matters related to employment relationship.

The definitions of HRM have been distilled by Caldwell (2004) into the following twelve 12 policy goals:

- a) Managing people as assets that are fundamental to the competitive advantage of the organisation.
- b) Aligning HRM policies with business policies and corporate strategy.
- c) Developing a close fit of HR policies, procedures and systems with one another.
- d) Creating a flatter and more flexible organisation capable of responding more quickly to change.
- e) Encouraging team working and co-operation across internal organisational boundaries.
- f) Creating a strong customer-first philosophy throughout the organisation.
- g) Empowering employees to manage their own self-development and learning.
- h) Developing reward strategies designed to support a performance-driven.
- i) Improving employee involvement through better internal communication.
- j) Building greater employee commitment to the organisation.
- k) Increasing line management responsibility for HR policies.
- l) Developing the facilitating role of managers as enablers.

HRM philosophy, as mentioned by Karen Legge (1995), holds that 'human resources are valuable and a source of competitive advantage. Armstrong and Baron (2002) stated "People and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organisation, are now recognised as making a significant contribution to organisational success and as constituting a significant source of competitive advantage". From Figure 1 the structure of HRM starts from recruitment and ends in payroll management.

Figure - 1

Structure of Human Resources Management (HRM)



Source: <http://hrlearnersguide.wordpress.com>

3. Work Culture

Work culture plays an important role in bringing out the best out of employees and making them remain loyal to the organisation for a longer period. These days the workplace is increasingly globalised and has become highly competitive. Interaction and communication across international borders have turned out to be necessary for many workers around the world. Consequently HR is under strong pressure to find employees who are not only technically proficient but also culturally perceptive with the ability to be successful in a global work-environment. Employees with crucial intercultural skills like the ability to understand different cultural contexts and viewpoints, demonstrating respect for others. Knowledge of a foreign language brings benefits to the organisations through their ability to bring in new clients, work within diverse teams and also support for the growth of the organisation.

Cultural and environmental diversity is a key issue in international HRM. As Haley (1999) remarks, "In cultures where people are emphasized, it is the quality of interpersonal relationships which is important. In cultures where ideologies are emphasized, sharing common beliefs is more important than group membership. In cultures where action is emphasized, what is done is more important than what is said".

Sparrow and Hiltrop (1997) note that the following HR areas may be affected by national culture:

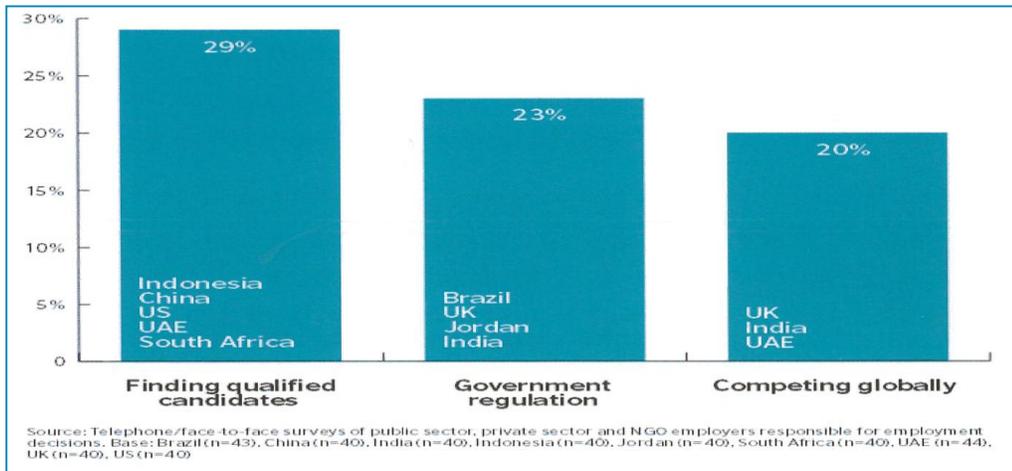
- a. Decisions on what makes an effective manager;
- b. Face-to-face feedback;
- c. Readiness to accept international assignments;
- d. Pay systems and different concepts of social justice;
- e. Approaches to organisational structuring and strategic dynamics.

Due to global economic realities which are driving continuous change in the workplace, employers’ needs and expectations are constantly shifting. While formal qualifications and traditional skills remain important, for positions that require interaction with individuals of different cultural backgrounds, employees need to have the capacity of dealing that transcends national and cultural borders.

The British Council along with Booz Allen Hamilton and Ipsos Public Affairs conducted a survey of HR management departments at 367 large employers in nine countries namely; Brazil, China, India, Indonesia, Jordan, South Africa, the United Arab Emirates (UAE), the United Kingdom (UK), and the United States (US). This was mainly to understand better how intercultural skills are considered, assessed and developed in the modern workplace. According to the survey, as shown in Figure 2 the most pressing business challenges by Human Resources are mainly finding appropriate qualified candidates, government regulation and competing globally.

Figure - 2

Most pressing business challenges (showing global percentages and top country challenges)



Source: <http://www.britishcouncil.org>

4. Intercultural Communication

Communication is the essential constituent in the day-to-day activities of managers while they plan, decide, organise, lead and control the resources. Communication system must facilitate transmission of information and data quickly. It must also enable management to solve problems, take decisions, coordinate workflow, plan ahead and increase productivity through better relationship within and outside of the organisation.

Culture manipulates communication. Communication is an activity that affects each and everyone. As quoted by Keating, “Communication is powerful: It brings companions to our side or scatters our rivals, reassures of alerts children, and forges consensus or battle line between us”. Intercultural communication is the interaction between two people whose cultural perceptions and symbol systems are distinct enough to alter the communication

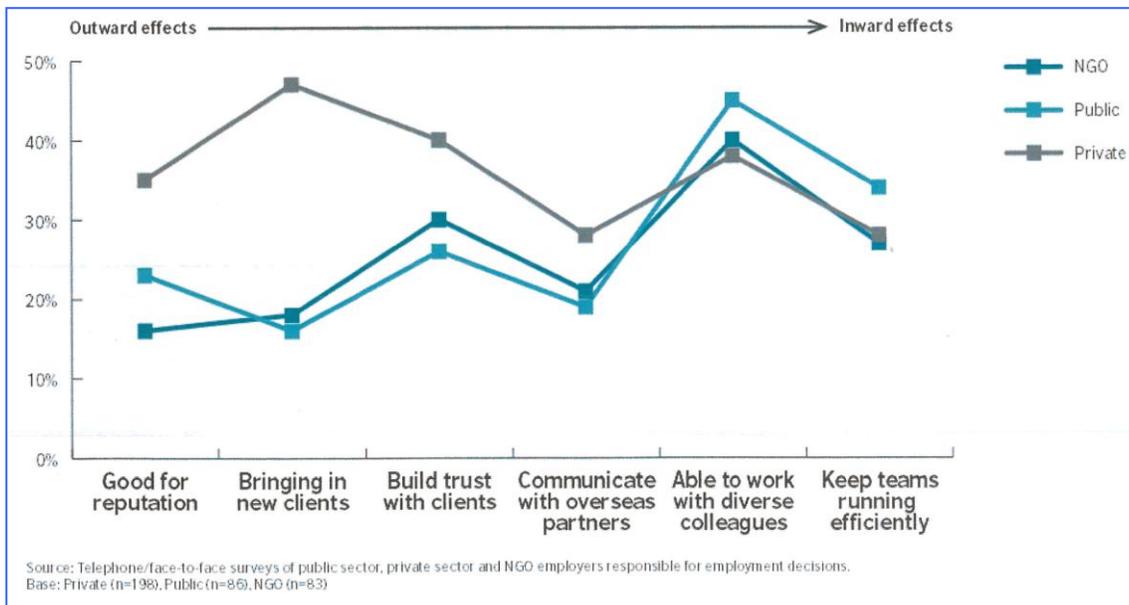
events. Culture and communication are so intertwined that it is easy to conceive that culture is communication and communication is culture. Communication styles refer to mannerisms, phrases, rituals, and communication customs appropriate for various situations in a culture.

As Richard W. Brislin (1993) indicates that “not only are we socialized into a cultural context but culture continues to influence our interaction, our work, our gender expectation, and even our health”. When cultural variables play a primary part in the communication process, the result is intercultural communication which involves skills that facilitate relationships, breaks down barriers, and creates foundations for new visions. Personal style affects our first impression, which influences intercultural communication. Intercultural communication involves fundamental attitudes toward groups and relationships. Positive intercultural attitudes lead to adaptive, functional outcomes such as friendship, peace, increased understanding, and lasting bonds. The attitudes and accompanying communication behaviours emerge as openness, affirmation, questioning, supporting, listening, offering feedback, asserting, and suggesting.

Intercultural communication skills at the workplace are nevertheless an inevitable skill for an employee in an organisation. It provides business value and helps to rule out risk. Communication is a symbolic process by which people create shared meanings. Intercultural communication occurs when the people with different cultural perspectives and values creates shared resources. It helps to build trust with each other and develop relationships with new clients that carry significant monetary value for employers. Figure 3 below from British Council research studies on culture at work explains the business value of intercultural skills by sector. Undoubtedly, employees with intercultural skills bring not only the positive impact on brand and reputation but also add the value to these skills in terms of efficiency and in winning new clients.

Figure - 3

The business benefits of employees having intercultural skills (showing top benefits by sector)

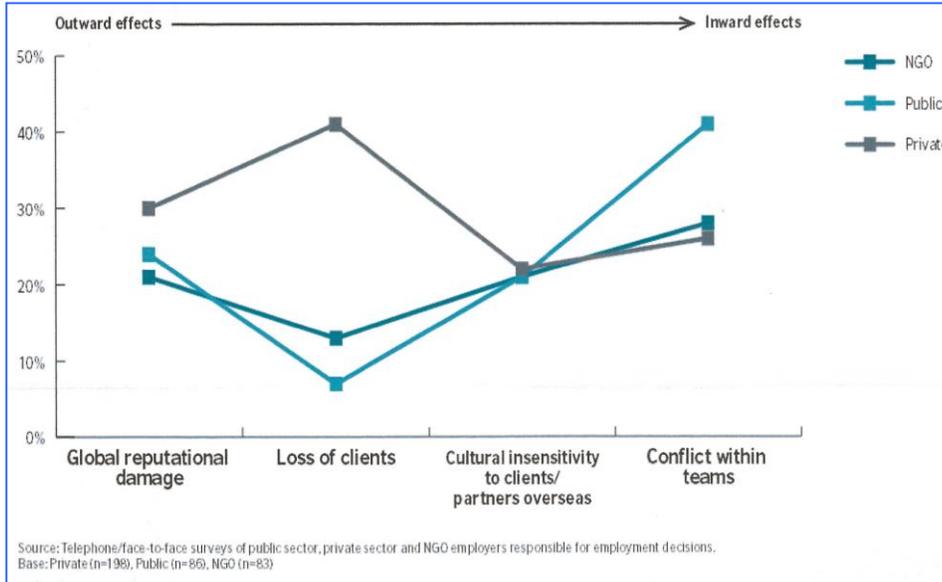


Source: <http://www.britishcouncil.org>, p.12

On the other hand, employers see significant risk to their organisations when employees possess poor intercultural skills such as miscommunication and conflict within teams. Loss of clients and damage to brand and reputation could also be the risk factors. Figure 4 shows the employers’ perceptions of business risks of not having intercultural skills in the workplace.

Figure - 4

Business risks associated with not having employees with intercultural skills



Source: <http://www.britishcouncil.org>, p. 13

Communication and negotiation between individuals of different cultures is successful when learned to form cultural bridges that require the understanding of core values of other cultures as well as one’s own personal values. Culture is based on knowledge, belief, art, laws, morals, customs, religion, language and any capabilities or habits acquired as a result of being a member of a certain community. Cultural literacy is important to understand and accept the differences in other people. Culturally literate individuals can easily form cultural bridges at work, to provide more creative productivity in the workplace.

5. Managerial Communication and Impact of Culture

Managerial communication is the communication process designed, developed and operated by the management in managing the affairs of the organisation. The efficiency of management depends on the way information asset is used to create values. The network and the system developed for exchange of information in an organisational environment and determine the capability of an organisation. The changes in business environment, the extent of use of technology in communication transform the communication process. Communication is the vital input in managerial function. The policies, decisions, directives and instructions are communicated from the top level management to lower level functionaries. Problems, grievances, clarifications and suggestions are communicated from lower level to top level and for co-ordination; information is sought and transmitted among peers. When an organisation is unable to adjust to the requirements of the new knowledge environment, it can have adverse effects. Organisations could look workplace marketing as

a strategic management tool to address the challenges and for this organisational communication requires an integrated approach.

Culture that is shared is a system of symbols, beliefs, attitudes, values, expectations and behavior that affects communication styles in many ways. Cultural values determine the effectiveness of communication. The globalization of business operations has made everyone understand the cultural diversity of the workforce apart from demographic, psychological and social variation in their communication skills. Communication is affected by ethnocentrism - the tendency of each group to think according to its group behavior. There is an imperative need in multinational and trans-national corporations to understand the intercultural sensibilities of the employees. Sound organisational climate and culture are important for the achievement of organizational goals. In general, organisational climate is associated with job performance and job satisfaction and morale of the employees.

6. Conclusion

Every Organisation has its own culture. Organisational culture is a product of all features of the organisation. Organisational culture reflects the past and shapes the future. The key to success is through picking the path that best fits the organisation's culture. Often there is a conflict between organisational culture and employee attitude that affects the growth of organisations. Conflicts arise mainly because of dualities like personal goal versus organisational goal; personal ethics versus organisational ethics, rights versus duties and so on. Providing periodic training, seminar and conferences to professionals by HR not only helps increase the productivity or meets the objective of the organisation but it also eliminates conflicts. Ignoring culture in business communication can lead to glitches and communication disturbances. Internal business communication can be disrupted or misinterpreted if workers fail to share the same understanding of goals, expectations and processes. Comprehending a culture can help businesses anticipate potential challenges or barriers while adoption of new policies and processes before efforts break down.

HR's involvement in organisational communication is very important. Communication is a part of the success path in today's new economic reality. Being the critical activity of managerial process, it is an integral part of social life of human beings and to fulfill important requirements of business activities. In the present global focus of business operations importance of communication has become more significant. The globalizations of business activities work culture and managerial communication are inevitable. Cultural differences among people while interacting may cause communication problems, which would be a hindrance to the development of organisations.

However, it can be ruled out if the culture of others is understood. It is perhaps most important for HR and employees to realise that a basic understanding of cultural diversity is the key to effective cross-cultural communication that is an inevitable tool to reach the goal of the organisation. Not only that, but for an effective organisational climate, recognising the importance of cultural differences helps managers to understand their subordinates, international partners, competitors and stakeholders, to ultimately help improve their managerial skills and also the advancement of the organisation.

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