**Human resource Management**

When human civilization was in the necessent stage, people were used to consume natural resources surrounding them. With demographic changes and development of human society, human need grown and to meet this growing need trade became a prominent mean. Initially, people used to do trading among groups and in unstructured ways. Later, with distinction among groups and geographical boundaries commercial procedures evolved to satisfy growing human need. The people associated with these, became business people and gradually their organization evolved as companies.

Previously these companies were confined among their own regional and national boundaries. But growing competition among themselves, they were forced to expand their businesses in other countries – they become international.

These international companies entered host countries, in many ways and most recently Joint Venture became very popular because of its many benefits. In Joint Venture, two or more companies with complementarily in operation and thinking come together to satisfy their business needs and in most of the cases international joint ventures faces a lot of human resource constraints because of different cultural and social backgrounds of their parents.

We are now in the service economy and day by day importance of people is becoming more prominent in managing business operation and these are particularly more critical in operating an international Joint Ventures. In an International Joint Venture the following picture is prominent:

Foreign managers

Foreign culture

Home country managers

Home country culture

Home country employee

# Balancing of these cultural differences by Human Resource management

Human resource Management is about managing human relations in individual and group level and human relation in the interrelationship among people as they work together to achieve organizational goal and attain satisfaction in terms of achieving their objectives. It integrates knowledge from the disciplines of psychology, sociology, and anthropology. Psychology, the study of why people behave in certain ways, facilitates understanding of learning, thinking, and developmental processes.

Sociology is an inquiry into how people behave in-groups and focuses on the impact that groups have on their behavior. By examining symbols and articrafts, anthropology studies culture of the past and are concerned with discovering how past occurrences influence their behavior. Human relations’ draws on knowledge of the behavior science, unify this information, and apply it to the study of human interrelationships.

While assessing the Human Resource Management principles in international companies, cultural issues are considered with care, as they are the most crucial to the companies’ image and define its identity.

Culture is acquired the knowledge that people use to interpret experience and to generate social behavior. This knowledge forms values, creates attitudes and influences behavior. Culture has following characteristics:

Learned: Culture is not inherited or biologically based. It is acquired by learning and experience

Shared: People as members of a group, organization, or society share culture: it is not specific to single individuals.

Transgenerational: Because culture is shared and passed along from generation to generation, it is cumulative, relatively stable and somewhat permanent. Old habits are hard to break, and people tend to maintain its own heritage in spite of continuously changing world

Symbolic: Culture is based on the human capacity to symbolize or to use one thing to represent another

Patterned: Culture has structure and is integrated. A change in one part will bring changes in another

Adaptive: Culture is based on the human capacity to change or adapt, as opposed to the more genetically driven adaptive process of animals. Culture is passed along from generation to generation, but one should not assume that culture is static and immune to change. Far from being the case, culture is constantly changing – it adapts itself to new sources of knowledge.

**Importance of culture**

Today’s managers operate in a world, where culture changes than any other period in human history. To survive and develop managers need new skills to cope with these changes in their life styles.

Every manager should consider the constraints imposed by the cultural context, because it is impossible to coordinate the actions of people without a deep understanding of their values, belief and expressions.

There are many ways of examining cultural differences and their importance on management. Culture can affect managerial attitudes, managerial ideology, and even business government relations.

There are four major dimensions of culture:

Power distance: is the extent to which less powerful members of institutions or organization accept that power is distributed unequally. A greater power distance indicates an accepted hierarchy in organizational relationship, a smaller power distance relates to greater participation in decision-making, and greater equality in the organization.

Uncertainty avoidance: is the extent to which people feel threatened by ambiguous situations, and have created belief and institution that try to avoid these. People with high uncertainty avoidance try to limit conflict and risk taking.

Individualism – Collectivism: This dimension relates to whether participants are concerned about their own needs, goals and achievements or whether the social group norms and benefit take precedence. Individualism is the tendency of people to look after themselves and their immediate families. The collectivism is the tendency of people to belong to groups or collectives and to look after each other in exchange for loyalty.

Masculinity – Femininity: there is basic dichotomy between the rational achievement orientation and the emotional affiliation orientation. Masculinity is defined as a situation in which the dominant factors in society are success and money. In contrary, femininity is the term used to describe a situation in which the dominant values in society are caring for others and the quality of life.

Human resource Management in International Joint Ventures

While assessing HUMAN RESOURCE MANAGEMENT principles of overseas companies, we could consider the company culture in three aspects:

Bureaucratic culture, technical culture and managerial culture

Normally human resource management has the following dimensions – and each of them has to be considered on those three cultural aspects. The dimensions are:

Organization structure

Job Design

Delegating decision making authority

Control and assessment of performance

External competition

Internal Equity

Intensive components

Benefits and rewards

Job security

Career development

Table 1. Managing Human resource in different culture

In the Bureaucratic In the Technical In the Managerial

Culture Culture Culture

Structuring the Establish rational and Develop, organize and Keep organization

Organization detailed organization chart obtain consensus or structure minimal and to be communicated interrelationships adaptive to changes throughout the organization among functions

Designing jobs Formalize and standardize Formalize Be flexible and job descriptions. Put relationships as formalize emphasis tasks to be accountabilities. Put accountabilities. performed emphasis on processes Put emphasis on end to be adapted results to be accomplished

Delegating Extremely limited Decision-making must High degree of Decision delegation and freedom be mostly controlled delegation and making are required freedom is

Authority supported

Controlling and Need for a heavy system Effective cost Sophisticated

Assessing administrative checks and accounting system control system

Performance balances to measure how is required to measure is required to tasks are performed. efficiency. Emphasis measure end Emphasis is on compliance is on qualitative results.

With standards and norms criteria Emphasis is on quantitative criteria

External Usually minimal Moderate High competitiveness

Intensive None Limited High components

Internal equity Must be absolute and Limited. Must reflect Fair. Must reflect normative. Must integrate balance of power job value and seniority and diplomas among functions performance

Benefits Highly formalized and Formalized and Informal and Common throughout personalized personalized the organization

Providing job Must be absolute Fair Minimal security

Career Strict and objective Develop bridges Reward high Development rules and procedures between functions to performers through must be established for improve organizational rapid promotions

promotions and integration

career developments

A joint venture involves two or more legally distinct organization, each of which shares in the decision making process of the jointly owned entity. Joint venture is considered international when one of partner in headquartered outside the venture’s country of operation or the joint venture has significant level of operation in more than one country.

Human resource management in Joint Venture encounters many problems because the presence of two parties – two cultures simultaneously. Since different cultures exist in the partnership, an understanding of the impact of culture on managing is critical to the study of joint venture management. If international managers do not know something about the culture of the local country they deal with, the results can be quite disastrous.

Motivation also contributes to the success of International human resource management. Abraham Maslow proposed five levels of human needs. The essence of this theory is the satisfaction of human needs, which occur in hierarchical order ranging from the lowest level of survival to selfactualization at the top of the hierarchy. Before people are motivated to attain higher level needs, their lower-level needs must be fulfilled.

While considering the motivation level of employees of the joint venture, the human resource manager has to take into account the following issues:

Current living standards

Cultural characteristics of the country

Relationship among people in group and individual level

Sentiment and emotional aspect of the people

Language

And redefine the elements of hierarchy of needs to meet the country’s environment.

In most of the cases we follow reactive attitude in addressing a problem. And sometimes it is also different to perceive the problem well before it occurs, hence human resource manager has to follow a flexible procedure continuously identifying and developing the system to upkeep the organizational tempo. Very recently, a lot of Western investors invested in Asian countries and some of them are facing problems in keeping up the organizational tempo and balancing cultural gap and meeting the needs of both local employees and headquarter.

To become successful in any organization communication process is also very important. The process does not consider only the verbal aspect of the communication; it covers the tone of the communication also, which depress the local language of the organization as a whole. All human relations depend on the ability of the human resource manager how he/she communicates while being seen or being behind the veil. Sometimes language barrier and hesitation of people and lack of competence in expression creates a lot of problem. Hence a clear collaborative and caring culture is necessary to any international ventures to be successful.

As competition among companies grew companies became more concerned about loyalty of the stakeholders. This loyalty gets translated in terms of protection of patents, technology etc. Employees are the users of information and different facilities of the company and human resource manager has to ensure a culture of self-reliance and a feeling as if the company is her/his family. Thus this issue also the important aspect of human resource management in multinational joint ventures.

The most important dimension of human resource management is managing cultural differences. When an organizational entity enters into a new country, it gets exposed to a new culture, new setup, new people etc. The human resource manager must balance the things, has to be the charge agent while considering the following things:

Cosmopolitanism

Intellectual communication

Cultural sensitivity

Effective intercultural performance

Concept of cultural management

Concept of changing international business

Cultural synergy

Work culture

These, combined with intellectuality, make the manager truly global.

Each of individuals is faced with the problem of integration into unfamiliar culture. They must learn the accepted cultural behavior in a unique organizational environment that will ensure their entry, acceptance, and effectiveness in that setting. Whether one is a recruit in the organization, transferred within the company domestically or internationally, or an employee of a subsidiary owned by a larger entity, each must learn to cope with a unique subculture.

Culture gives people a sense of who they are, of belonging, of how they should behave, and of what they should be doing. Culture has a great effect on HRM. If managers are to be effective leaders, they need not only to understand the influence of culture upon organization, but also utilize that culture to improve performance and productivity. Organization creates culture. The organizational culture is a set of coping skills, adaptive strategies used by members in and out of the system. The organization’s culture has a powerful impact on the worker’s or member’s morale and productivity. It even influences the organization’s image of itself which, in turn, is communicated to its public. The different cultures of managers in Joint ventures represented by differences in languages, interactions, perceptions and mentalities leads to problems in communication, working together, problems solving and team sense. The tendency of people within a certain culture to perceive the others as belonging to a single class or category is different to that in the other cultures, which is called stereotype. Stereotypes can affect the actions, coordinations, and corporation of people from different cultures. Values within a culture are the basic convictions that people have regarding what is right or wrong, good or bad, important or unimportant. They help direct the person’s behavior. And differences in cultural values often result in varying management practices.

Different cultures will affect differently the thinking and doing of people, therefore, they could be the source of conflicts in HRM operation of joint ventures, between managers having different cultural backgrounds.

The figure in the next page illustrates many aspects of organizational culture. There are aspects of an organization’s culture that are formal, explicit, and overt, just as there are dimensions that are informal, implicit and covert. In attempting to achieve its goals and missions, the organizational culture is further influenced by leadership practices, norms and standards, rules and regulations, attitudes and principles, ethics and values, polices and practices, structures and technologies, products and services, roles and relationships.

External environment

Organizational culture

Needs, an expectation,

information, and resources

Input

Products, services, Survival

trained personnel, = growth, and

and public information Development

Output

Goals

Mission

Objectives

Attitudes/

Principles

Leadership

Styles

Policies

Proce-

dures

Norms

standards

Roles/

relationships

Rules/

regulations

Struc-tures/

techno-

logies

Values

ethics

Personnel practices

Control reporting

Tools equipment

Compensation/

rewards

Work space/

facilities

Decision making

problem solving

Work

appearance/

attendance

Communication

Language

**Figure 1.Concept of various aspects of organizational culture**

In summary, the following factors affect Human Resource management in international joint venture:

Organization structure

Communication process and language

Responsibility and authority structure

Employee participation and loyalty of the employees

Job design

Compensation and reward system

Training and development

Fair competition among employee and

Organizational culture

Level of team maturity

Flexibility and strictness

Cultural differences

So for human resource manager the following steps are very important and these has to be fulfilled to ensure smooth and efficient operation of the joint venture

Establish people’s participate

Give emphasis more on employees’ interest and their welfare

Give emphasis on career development

Understand more about the joint venture and its operation

Align benefits and reward system in the line with country’s or well as company’s interest

Development of good training system

Establish harmonious relationships with labor union

Build relationship with regulators

By undertaking these activity at the JV level;, the HR manager would be able to create a suitable and sustainable environment for the company to be successful while satisfy the needs all the stakeholders and establishing fit with its external and internal environment.

**Список литературы**

Amacom – “Managing HR in small and mid sized companies” – American management Association – New York 1987

Hamis Philip R. – Moran Robert T. – “Managing cultural differences” – Gulf publishing company Houston – Texas,1991

Hirsch Georges, Swierzcek Fredric W. “Multicultural perspectives on European and Asian Management” – EAP 20th Anniversary.

Jenks V.O – “ Human relations in organization” – Harper and Row, New York.