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From the SelectedWorks of Yan LIANG

Winter November, 2009

Brief Instruction of Cross-Culture HR Management

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Brief Instruction of Cross-Culture HR Management

With the speed of the integration of the world economy becoming quicker and quicker, more and more multinational enterprises have gradually devoted more and more their attention to China, the largest developing country in the East where a lot of attractive opportunities are waiting eagerly for their attendance, meanwhile which is accompanied with many new appearing problems to solve. Under such kind of economic environment, the efficient cross-culture HR management is becoming necessary and urgent.

1, A brief introduction of Multinational Enterprises

First, the definition of Multinational Enterprises
Similar with other specific terms, the development of the definition of Multinational Enterprises has also gone through certain time period; however, the present one created by the UN in 1980 is widely accepted by many authors. Only such enterprises which satisfy the following three requirements can be called Multinational Enterprises:
First, it should be made up of at least two or more economic entities, each of which comes from different countries in the world, without the limit of their legal form and activity scope.
Second, all of them should start their business activities under the consecutive policy made by one decision system and the common strategy designed by one or more decision centers.
Third, each of its economic entities has frequent close connect with the others and one or more of them can exert effective influences on the business activities of the rest, especially in the fields such as sharing the knowledge, the resource, the responsibility and so on.

Second, the four common criteria used to judge Multinational Enterprises
First, the structural criteria: The enterprise should do its business in at least two or more countries.
Second, the ownership criteria: The enterprise is owned by the public people from many different countries.
Third, the nationality criteria of the top-class managers: they are from one more countries.
Fourth, the organizational criteria: the global regions and the global products should be viewed as the base, the legal form is unlimited, and the jointed venture, the limited corporation, the unlimited corporation and the joint state-private enterprise are all accepted.

2, A brief introduction of cross-culture
2.1 A brief introduction of culture

Here I just want to quote the view of Geert Hofstede, the famous author of Holland from the point of management psychology: ¹ culture is the common psychological procedure of the people under the certain kind of environment, in other words, culture is not considered as the characters of one certain person, but the common psychological procedure of many persons who have the same education and the life experiences.

The core of culture is the value, which is the common tendency that the people like to do this thing other than that thing, and it can also be viewed as the culture model, which is described as the following: only the people who do their choice on basis of the value standard defined by the culture model can be accepted and admitted by the majority of the group, otherwise they will be attacked and repelled.

In a word, culture here can be understood as one common model of the people’s psychology and behaviors, which is expressed as the value.

2.2 A brief introduction of cross-culture

First, the definition of cross-culture
Cross-culture means more than one kind of the cultural span; therefore we also call it cultural divergence as there are no two absolute same cultures in the world. From the specific point, it is the cultural divergence among different countries or nationalities, which embodies the value, the traditional culture, the religious belief, the language, the thinking model, the behavior principles, and the customs and so on.

Second, the three levels of cross-culture
For the multinational enterprises, the three different levels of cross-culture should be carefully paid attention to. The first level is the deepest, which is referred to the cultural divergence between two different countries or nationalities. Generally speaking, it will release quite strong resistance when facing the outside force which wants to change it and the conflict arising from the kind of cultural divergence is hard to eliminate.

The second level is in the middle, which is the divergence of two different company cultures, and it is quite common when the merger and acquisition happens during two enterprises.

¹ The definition of Culture comes from the book named International Human Resources Management by Li Zhongbin, page 35.
The third level is the shallowest, which is the personal culture divergence. It usually appears between two persons who have different ages, genders or are in different positions or departments during the same company and so on. To the contrary of the first level, its resistance is relatively weak and the conflict can be resolved through the cultural communication for a long time.

3 The introduction of the cross-cultural HR management

3.1 The definition of the cross-cultural HR management

It is referred to that the company carries out the HR management for such employees who are from different cultural backgrounds and have cultural divergence, with the aim of improving the producing efficiency, the quality of the work life and further obtaining the economic benefits, in other words, it is the whole management process of acquiring, maintaining, parasailing, developing and adjusting the human resources from different cultural backgrounds.

3.2 The characters of the cross-cultural HR management

First, it is multiple
The multiplicity here refers to the coexistence of the human resource from many different cultures.
First, the employees in the multinational enterprises are possible to have different understandings, implementations and appraisals regarding the same management goal due to the different cultural backgrounds, so it is quite common to form different cultural groups among the employees, which makes the HR management more complicated and difficult.
Second, from the environment and process of the HR management, the process of the enterprises’ internationalization is the process when the single cultural environment transfers into multiple cultural environments.
Third, as the employees carry with different cultural characters, the tasks of the HR management consist of not only the management of the human resources with the multiple cultural backgrounds, but the multiplicity of the management methods and contents.

Second, it is always changing
From the internationalized operating process of the Multinational Enterprises, the certain tasks and goals of the HR management will fit the corresponding stage of the internationalized operating process, which will be shown in the following table clearly:

<table>
<thead>
<tr>
<th>The stages of the internationalized operating process</th>
<th>The corresponding HR management strategies</th>
<th>The specific behaviors of the HR management</th>
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</table>

The preliminary stage

The strategy of the parent company

The majority of its staff in its subsidiary are the expatriates from the headquarter, and the several links of the HR management focus on the expatriates from the parent country or the third country.

The developing stage

The strategy of many countries

More attention is devoted to the market development in many countries and the core task is the HR management for the local staff.

The global stage

The global strategy

The global recruitment and management for the staff is the main job.

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3.3 The main barriers faced by the cross-cultural HR management

On basis of the barriers’ severity, they could include the following three types: the cultural divergence, the cultural shock and the cultural conflict.

The second barrier is the cultural shock, which is expressed in the next two aspects:

First, the cognition level, while the managers and employees with various cultural backgrounds communicate with each other, they usually treat its own cognition levels as the foundation, which is easy to form the negative concepts and further stop the foundation of the friendly relationship during the company.

Second, the value level, it is clear that the communicating barrier is appearing among the persons with different values.

The last one is the cultural conflict, which refers to the mutual opposition and rejection between two different culture conditions and cultural factors. It could contain the cultural conflict between the culture of the host country and that of the local country and the conflict among the employees in the same company, both of which will bring up great negative influence for the company.

4. Conclusion

The several important specific terms mentioned above as Multinational enterprises, culture, cross-culture and cross-culture HR management are made up of the theory foundation of my main topic that how to effectively carry out the cross-culture HR management in multinational enterprises located in China, and I will introduce a series of consecutive measures regarding the cross-culture conflict commonly existing in the foreign invested companies located in China in the following several
chapters so as to give you a more direct view of my recent research.