

Cultural Differences

Cultural Diversification is due to Economic Revolution implementation of policies such as Globalization and Liberalizations of Economy which leads to Expansion of Markets Results to Competition More number of Suppliers enters in domestic markets . With Increasing demand Job market gets widened there is demand huge demand for competent person, So Job market not restricted to particular place or region. Global demand and supply place vital role.

IHRM PLAYS VITAL ROLE IN SINCHRANISATION OF VARIOUS CULTURES TO ORGANISATION CULTURE. IHRM CLASSIFIDES STAFFING BASED ON REGION & PROJECT THERE IS FOUR BROAD CATEGORY INVOLVED IN STAFFING.

CULTURAL DIVERSIFICATION MAINLY INFLUENCED BY LANGUAGE REGION, RELIGEON ,CASTE ,CREED ONE HAS TO OVERCOME THIS HURDELS & HARMONISE OR SYNCRANISATION ALL CULTURAL DIFFERENCE IN ORGANISATION CULTURE

HCN ,PCN ,TCN

Approaches to Staffing

- Ethnocentric (Parent Country Nationals)
Home country Approach
- Polycentric (Host Country Nationals)
Local Approach
- Geocentric (Third Country Nationals)
Global Approach
- Regiocentric (Third Country Nationals)
Regional Approach

Advantages and Disadvantages of Using PCN,TCN,HCN

- PCN (Adv.)
- Control & coordination maintained and facilitated
- Promising managers are given international experience
- PCNs may be the best people for the job because of the special skill and experience
- Assurance that subsidiary will comply with company objectives and policy
- PCN (Disadv.)
- Promotional opportunities for HCNs is limited
- Adaptation to host country may take a long time
- PCNs may impose an inappropriate HQ style
- Compensation of PCNs and HCNs may differ

Advantages and Disadvantages of Using PCN,TCN,HCN

- TCN (Adv.)
- Salary and benefit requirement may be lower than HCNs
- TCNs may be better informed than PCNs about host country environment
- TCN (Disadv.)
- Transfers must consider possible national animosities (India & Pakistan)
- The host government may resent hiring of TCNs
- TCNs may not want to return to their home country after assignment

Advantages and Disadvantages of Using PCN,TCN,HCN

- HCN (Adv.)
- Language and other barriers are eliminated
- Hiring cost is reduced and no work permit is required
- Continuity of management improves as HCNs stay longer in positions
- Government policy may encourage hiring of HCNs
- HCN (Disadv.)
- Control and coordination of HQ may be impeded
- HCNs have limited career opportunity outside the subsidiary
- Hiring HCNs limits the opportunity of PCNs to gather expat. Experience
- Hiring of HCNs could encourage a federation of national rather than global units

Reasons for International Assignments

- Position filling (skill gap, technology transfer, new Endeavour)
- Management development (staff moved to head quarters or HQ employees coming to subsidiaries for T&D initiatives)
- Organization development (refers to strategic objectives of the operations eg need for control, transfer of knowledge , exploit global market opportunities)

Types of International Assignment

- Short (up to 3months),extended (1 yr.), long term(1-5 yr.)
- Commuter (commutes weekly/biweekly to host country)
- Rotational (sent to the host country for a short time and then a gap before being sent again)
- Contractual (6-12 months on contract as part of a project team)
- Virtual (does not relocate but manages from the home base to make it cost effective)

Role of Expatriate

- Agent of control (direct supervision, ethnocentricity e.g. German organizations)
- Agent of socialization (to transfer corporate values, can sometimes have reverse impact eg German staff of Wal-Mart)
- Network builders
- Boundary spanners
- Language nodes
- Transfer of competence and knowledge

The Non-Expats.

- People who travel internationally and yet are not expats., they don't relocate to other country
- Are international business travelers visiting foreign markets, subsidiaries, international projects etc.
- Termed as globe trotters, frequent fliers
- This category of employees has increased despite increase in telecommuting activities
- Stressors
- Home and family issues
- Work arrangement
- Travel logistics
- Host culture issues

Role of the Corporate HR

- Can Corporate HR manage people like products? (standardization) Standardizing work practices and HRM activities is not the same as product standardization
- What HR activities to retain at HQ and what to delegate to subsidiaries based on administrative and economic and political imperatives
- As firms internationalize HR should respond to structural and process aspect of the organization

Selecting the Right Candidate

- Need a balance between internal corporate consistency and sensitivity to local labor practices
- Consider cultural values
- Must comply with local labor laws

Cross-Cultural Training Methods

Role Playing

Allows the trainee to act out a situation that he or she might face in living or working in the host country.

Culture Assimilator

Provides a written set of situations that the trainee might encounter in living or working in the host country. Trainee selects one from a set of responses to the situation and is given feedback as to whether it is appropriate and why.

Field Experiences

Provide an opportunity for the trainee to go to the host country or another unfamiliar culture to experience living and working for a short time

Cross-Cultural Adjustment

- Expatriates must adjust to new work situation, interactions with locals, and new general environment
- Company can facilitate adjustment by providing training for expatriates and their families before and during the assignment
- Expatriates often experience cultural shock

Expatriate Compensation

- Influenced by general corporate compensation policy
- Expats usually receive extra compensation and benefits Different packages offered in different locations
- Overseas Premium, Tax Reimbursement Plan, Home Leave, Traveling Exps, Medical Allowance ,Educational Allowance

Convergence or Divergence?

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- Large corporations' preference for consistent worldwide systems
- Smaller companies' desire for more professional system
- Need to follow local HRM laws
- Development of unique techniques and practices to suit local cultural and legal requirements

Expatriate Re-entry

Reverse culture shock common

Many organizations fail to successfully manage expatriate reentry

Individuals may pursue boundary less career

Organizations can help to ease reentry