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## **HR in Managing Cross Cultural Teams in Global Organisations**

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### **ABSTRACT:**

The study of cross-culture aims to develop a deeper understanding of cultural differences and their impact on communication, business, education, and social interactions. The key objectives of this study are to Understand Cultural Differences, to Strengthen Social Harmony and Global Citizenship.

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### **Introduction:**

Culture is a broad and protean concept and reality that influences who we are - as individuals, families, communities, professions, industries, organizations and nations; and how we interact with each other regionally, nationally and globally. Culture can be defined as a set of values, beliefs and notions learned by sharing our behaviours within a particular society. This characteristic of culture gives us our sense of identity and belonging. Culture is reflected in our language, communication styles, history, religion, values, notions, ideas and ways of being (Bodley, 1999).

The Society for Human Resource Management, 2008 has forecasted several trends in culture that are likely to influence the organizational environment:

1. Increased awareness of cultural differences in both national and international workplaces;
2. Increased need of cross-cultural understanding in business environment;
3. Management of global talent;
4. Increased emphasis on global leadership capabilities;
5. Increased popularity of virtual global teams.

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### **Need of the Study**

The study of cross-culture is essential in today's globalized world, where individuals and organizations frequently interact with diverse cultural backgrounds. Understanding cross-cultural differences helps in enhancing communication, reducing misunderstandings, and fostering inclusivity in workplaces, educational institutions, and social settings. With businesses expanding internationally, cultural awareness is crucial for effective leadership, negotiations, and teamwork, ensuring smooth collaboration across borders. Additionally, in a multicultural society, cross-cultural knowledge promotes tolerance, respect, and peaceful coexistence, helping individuals adapt and thrive in diverse environments.

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### **Scope of the Study**

The scope of this study extends across multiple fields, including business, education, diplomacy, tourism, and media, where cultural interactions shape decision-making and interpersonal relationships. In corporate settings, it aids in workplace diversity management and global business strategies.

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### **LIMITATIONS OF THE STUDY**

1. Cultural Generalization and Stereotyping
2. Language Barriers and Misinterpretations
3. Difficulties in Measuring Cultural Influence
4. Limited Access to Authentic Cross-Cultural Data

## 5. Challenges in Adapting to Rapid Globalization

### RESEARCH METHODOLOGY: SOURCES OF DATA

Primary data collection is necessary when a researcher cannot find the data needed in secondary sources. Three basic means of obtaining primary data are observation, surveys, and experiments. The choice will be influenced by the nature of the problem and by the availability of time. For this research study Questionnaire was the Primary Data source which is applied.

### DATA PROCESSING

The study has been carried out with the help of the following data:

#### Primary data

The primary data was collected through the use of structured questionnaire from the target respondents using survey method.

#### Secondary data

The secondary data was collected from journals and internet.

### TOOLS FOR ANALYSIS

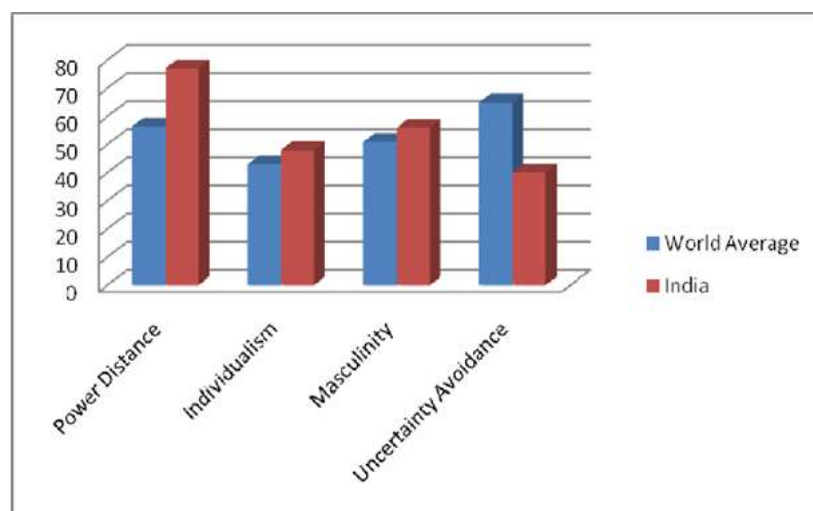
- Percentage Analysis
- Chart Analysis

#### Cross-Cultural Issues in Indian HRM

Cross-cultural misunderstandings can be seen among people working across MNC's with diverse cultural backgrounds. These misunderstandings often tend to create repetitive phenomena involving cross-cultural conflicts, dissatisfaction and provocation leading to communication problems, and reduced employee performance (Milliman, 2002; Higgs, 1996; Monks, Scullion and Creaner, 2001). The management techniques learned and developed by a manager in his original or home culture do not apply equally in other cultures and thus produce several clashes and ambiguities. This problem is even more critical with HR practices as they have to deal with people from different cultures, develop HR policies and practices to manage individuals, (Schuler et al, 2002) and resolve their problems and maintain cross-border relationships

#### India through Hofstede's model of Cultural Dimensions

Hofstede's model (1991) presents ranking of Indian culture based on four dimensions – individualism-collectivism, power distance, uncertainty avoidance and masculinity-femininity (Thomas, 2008). Indian culture ranks relatively highly on Power Distance (77) compared to a world average of 56.5, medium in Individualism- Collectivism (48), medium in Masculinity (56) with the world average slightly lower than 51, and low to moderate in Uncertainty Avoidance (40) compared to the world average of 65 (Thomas, 2008; Jackson, 2002; Geert Hofstede Cultural Dimensions, n.d.).



#### Hofstede's Cultural Dimensions – India and World Average

Existence of hierarchical structures in organizations, social relations conscious of status and prestige, and preference of a superior-subordinate work relationship reflect the high power distance of the style of Indian management. Further, India's high ranking on Hofstede's power distance model is

explained by the presence of the hierarchical nature of Hinduism the early socialization process stressing the significance of the architecture of family, and the impact of British colonialism. Precedence is given to senior members in the organization in deciding about promotions and salary increments. People prefer employees from their own castes and religions and a small amount of discrimination based on these aspects can still be seen in society

Inter-group connections are questioned and discouraged by many and the tendency of majority of the people to associate with people in powerful and reputable positions remains (Sahay & Walsham, 1997; Sharma, 1984; Budhwar & Debrah, 2001). This power distance ranking of Indian culture when compared with American (40), Canadian (39), and British (35) explains the reasons for disputable organizational correlations.

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### **Comparison of Indian managers with other cultures**

England (1975) conducted a study of the personal value systems of around 2,500 managers in five different countries – Australia, Japan, Korea, India and the United States. The results revealed an interesting commonality between values and behaviours among managers in these countries despite the value differences. The pragmatists exhibited an economic and organizational competence orientation whereas the moralists were inclined toward a humanistic and bureaucratic orientation. On a scale of 100, the number assigned to pragmatists is 67 for Japan, 57 for United States, 53 for Korea, 40 for Australia and lowest for India with only 34. For moralistic orientation, the number was 9 for Korea, 10 for Japan, 30 for United States, 40 for Australia and a comparatively high 44 for India. This study significantly deals with the values and orientation associated with managers from India. Indian management leans more toward a moralistic orientation; values little or gradual change, favouring stability in organizations, and prefers an arrangement valuing both organizational compliance and organizational competence (Jackson, 2002).

The study reports have revealed the following implications associated with the values of the Indian management (Jackson, 2002):

Indian managers have been found to be more receptive to the humanistic and bureaucratic results of their decisions.

They are attracted more by positions and approaches that involve rational and principled explanations.

Indian administrators have been found to be more sensitive to internal rewards and controls.

Due to a large percentage of managers inclined toward moralistic orientation, any sort of variation or modification in the management is expected to be slow and tough.

Another study conducted by Smith and Thomas in 1972 helped in identifying the cross-cultural attitudinal differences between fatalistic style of Indian managers and highly efficient and achievement-oriented American managers. The study highlighted the differences between the two cultures based on authority and power of influence (Jackson, 2002; P.M, 2009):

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### **Findings:**

1. About 80 per cent of Indian managers and over 85 per cent of German managers used performance appraisals as a means to identify strengths and weaknesses and to measure achievement levels of employees in both countries. However, using performance appraisals in determining clear and categorical ways to improve performances and plan development activities is apparent more in the Indian context.
2. German managers use performance appraisals more frequently to fix salary levels of employees whereas Indian administrators consider their relevancy in assessing promotability and development of their subordinates.
3. Most of the German managers did not associate pay practices with job performances whereas the Indian managers tend to have a relatively higher performance orientation connected with pay patterns supporting the perception of pay spread between the low and high performers (Palmke, 2007).
4. The huge geographical distance between Swedish and Indian organizations poses another hindrance to their effective communication
5. Since most of the communication takes place through telephonic conversations, understanding both parties becomes even more intricate. For example, WM-data has problems explaining technical difficulties in detail in English to the Indian employees.

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### **Conclusion**

The ever-increasing trend in globalization has resulted in world economic restructuring and liberalization with implications on organizations, employment, labour markets and employee-industrial relations. With markets moving toward global integration of production and circulation of finance capital, impact on workplace and as a result, the manner in which human resources are managed cannot be ignored. The internationalization process has resulted in many MNCs opening production sites at various locations globally and altering production methods to meet company objectives (Chaykowski & Giles, 1998; Budhwar & Debrah, 2001). The designs of their production and distribution systems as well as employment strategies are being modified to meet the demands and changes in the global economy.