

***Culture and Human Resource Management:
Understanding Communication in the Ages of Globalization***

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Abstract

This paper will examine the international management of culture and human resources communication. The various movements of human resources and competencies have implicated the phenomena of culture exchange worldwide. Intercultural conflicts, intercultural competencies, and intercultural management are topics humans did not face decades ago. Researchers worked on these differences and how we can accept and cultivate the cultural differences in society. The modern globalized world is in motion, flows of goods, capital, services, people, information, and ideas. In this context, whenever the issue of economic globalization is addressed, the word always refers to economic globalization, the one that finds its expression in global markets, capital, the flow of products and information, global media operations. In this paper we want to show that globalization will produce universal attitudes, practices, and institutions or a new birth of global culture. Inevitably and most of the time, organization personnel are going to be separated geographically. Organizations also are unable to identify regional, international, market and subculture differences. Companies and international structures operating in different zones and geography will be a determinant for their development. Start with the regional, national international and intercontinental cultures to adapt the product and human resources. In a period of expansion, we need to find new opportunities. Weaknesses in cultural management can limit everyone to their own culture.

Keywords: Culture, Interculturalism, Communication, Companies, Expatriation, Globalization

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Introduction

The globalization concept: leading to intercultural changes. Considering the concept of globalization is a key point in the international development of companies it is necessary to try and understand how the wheels of trade work. This is an essential element for any company that wants to work internationally. Several studies have been made based on this approach, for example the analysis of competitive forces within a sector (Porter). In the early 1980s, Porter greatly improved the competitive diagnosis by introducing players other than the company's current competitors.

Three of the main approaches were: world-systems theory, globalization as an outcome of modernity, and globalization as a dual process which centers around culture (Heather, Voisey and Riordan 2001:28). In the literature, the authors often associate studies on this concept with expatriation. It is mainly in this context that multinational or transnational organizations train their executives to develop. Internationalization is emerging as one of the drivers of trade development, as local companies with the resources to internationalize their activities offer themselves significant opportunities for economic growth. Some of the main drivers of globalization are rooted in political, technological, and economic developments. The exchange is dedicated to the liberalization of the conditions under which trade takes place. In Europe, for example, closer integration and continuous expansion of the European market, as well as general trends in business liberalization and deregulation, have resulted in the creation of a single European agreement. Old barriers to treaties have been removed, and alliances are expected to emerge, for the benefit of consumers.

Inside the development of human resources abroad, diversity acceptance must be considered. The mix of different cultures shows us new conflicts inside an international company. The realities of such a project are so complex that we cannot rely on a single concrete example. We must extend our analysis to several variables and with all these variables, we will identify a group of key elements to be considered and integrated into our globalization development model. This first part of this section includes the main theories of globalization and, for the most part, these theories are based on a general framework. There are several determinants of the dynamics of globalization. The quest for cost-competitiveness leads groups to concentrate and specialize their production to achieve economies of scale.

Globalization should be progressive and incremental and explores the issue of communication and its role in the long-term human resource management of the firm (Richard 2001: 25). Globalization refers to the idea of a unification of time and space, characterized by scientific and technological progress and the free movement of people, goods, and capital. Globalization suggests the universalization of the challenges, the advent of a world of economic, political, and social interdependence, and the necessary use of multilateralism to address these issues.

The development of the dynamics is a prelude to the strategy: are all the activities of the company concerned by globalization identified? How to integrate international human resources into the global strategy? By working abroad, entities can take advantage of opportunities outside their domestic sphere. This can take the form of a change in customs regulations, the opening of a country to Foreign Direct Investment, employment to attractive prices or a change in political regime.

Communication and Technology

A phenomenon that has been active for centuries, globalization has taken off considerably in recent decades with the liberalization of trade and the proliferation of trade agreements allowing people and companies to move from one country to another delocalization. The arrival of new communication technologies, notably the Internet, has also contributed to globalization through the easier circulation of ideas, images, music and all forms of art that can be digitized.

Technology has dramatically improved access to information and communication, including the leading role of IT, as well as the ability to manage geographically dispersed production sites. Researchers also argue that more efficient and cheaper types of transport have emerged for both goods and people. As a result, a new situation of globalized competition has emerged, and companies must undertake the export of their activities to develop them on a different scale and in a different area. Modern technology has been widely used in the production and delivery of services which covers a wide range of applications. Consequently, technology allows for speed in the production process without wasting time. Technology has ensured the continuation of a long process of automation.

The contemporary diffusion of modern technology within a company is a new phase of mechanization of operations and control and coordination. With these technologies and over the past decade, globalization has become a differentiated process. Recent research has shown that most firms engage in “outbound” activities, and it has been established that, among exporting firms, a large proportion is not limited to exports alone, but is also involved in a series of “inbound” and related forms of international behavior that interact with each other. Outbound = export related, or activities related to overseas activities. Inbound equals Import related, or activities related to the international activities.

Finally, we know that clear and efficient communication between a sub-structure and its headquarters is an essential point in the successful collaboration. Thanks to the Internet, communication methods have changed, and we work through electronic messages, not to mention all the other applications. Speech and language have given way to new forms of communication in the world of work and international cooperation.

Globalizations Implicate Changes

To move our discussion forward, we can directly highlight the first major force: Globalization, which from a theoretical and business point of view is at the heart of international trade or movement of people. For a company with little or no external exposure and seeking to diversify its markets and supplies, the challenge is to assess the potential for developing transactions with foreign countries, i.e., adapting its offer, adapting its buying, and selling procedure to specific constraints that are different from our original location of the company. Above all, it is about developing the competence within a structure and an ability to understand and adapt to situations: Companies create international strategic alliances to achieve a strategic goal, which is often the acquisition of new knowledge. They cooperate to learn, but cultural diversity can be an obstacle in these learning and cooperation processes. When companies want to cooperate effectively in an international context, they must learn how to do so.

Strategy can be defined as responsiveness to changes in the environment, the international competence of our teams in our mobilization capacities and the willingness of managers to expend the business. If the structure plans to establish itself on one or more foreign markets on

a long-term basis, it is necessary to be able to develop a cross-border development strategy with a view to gaining stable and defensible positions. The company must be able to control diversity and control distance. Entrepreneurs must have the will to define and develop an excellent international strategy, based on global competitiveness (Chandler 1962) (Oddou 1992: 301).

This diagnosis particularly concerns the group which has a continental or even multinational, objective. The challenge is to assess global competitiveness and prior to the development of a global strategy. This strategy requires a broad integration of functions at the international or global level. The key point is the ability to achieve this integration. Each company is confronted with common inconveniences, but also with problems and conflicts that are specific to it according to the way it manages its subsidiary internationally. The transfer of an entity abroad can quickly turn into a constraint and a burden if it is not managed properly and efficiently. (De Groot 2014: 196)

However, it is relevant to prepare the company carefully while already considering geographical, economic, managerial, and cultural aspects. There is no real international order, i.e., no higher authority above all to enact rules applicable to all States. The International Business Law is the result of several sources, treaties, conventions, regulations, general principles developed by different organizations and multiple sources. An international business contract can therefore generate conflicts of law or standards, in the event of improper performance of the contract. The drafting of an international contract requires several precautions to avoid conflicts as far as possible: modalities of execution of the contract, bad faith, conflicts of norms or jurisdiction, etc. (Earley 1897: 685)

Partnerships, foreign investment, and the creation of cross-border networks are viable new ways to strengthen the economic strategies of companies. These diverse international activities can include different functions such as R&D, marketing, production and involving elements of the entire value chain. In addition, there is evidence that the presence in foreign markets and the possibility of relocating part of the value chain allows companies to engage in productive activities and, more generally for all their economic dynamics, to be stronger and more viable, compared to other enterprises that develop a strategy based solely on exports.

Culture and Human Resources Management

Cultural risk may be the most important of all. Companies with the help of international human resources will reduce the risk with intercultural intelligence. Unfortunately, *we can* firmly believe from the *observation* and experience that *many companies are* unable to adapt human resource management to local markets. Transportation of human resources abroad must be the first preoccupation of companies wishing to develop an international business, many times money and profit are the major factors that incorrectly and wrongly drive companies to internationalization (Gertsen 1990: 341) (Tung 1993: 461).

Acknowledging the different ways of working, multiculturalism can offer workers new opportunities, and new markets inside an international business. (Ajiferuke & Boddewyn 1970:58) (Carden 1992: 341) Each country possesses its own legal system and ethical issues. Thus, before starting an international project, a company should be perfectly aware of existing practices and make sure these can be managed. If executives do not understand local legal and ethical issues, employees will work with an ineffective diversity management (Patrice 1995). Managers will be linked to the headquarters and company personal; it will be a difficult task

for a manager to deal daily with diversity issues especially far from home. Workers and managers must together solve these issues of diversity with little or no interference from outsiders. (Baligh 1994:14) (Iles 1995: 17)

What would happen if national and international companies are unable to bridge the difference between global business models and local market business models? Always bridge the difference between the global and local markets, prepare if necessary, key areas and separate the local activities from the global ones. Managers must understand the local business practices. Local business practices are dangerous for a company; managers must be chosen by the headquarters and cannot come from the receiving country at the beginning of the project (Caliguri 2000: 61) (Mendenhall & Oddou 1985: 39). Inevitably and most of the time, company personnel are going to be separated geographically. The company will, therefore, must choose a system to work effectively and a system to define how the company must be run while its employees are working outside their original country.

To avoid personal conflict and assignment failures managers and employees must work in assigned duties to established technical procedures such as financial accounting and reporting to head office. Local and expatriate activities must be separated and defined before the beginning of the Internationalization process (Black & Gregersen 1990: 461) (Vulpe 2004). In an international context, the challenges facing HR are numerous. The management of company resources is crucial for companies embarking on the complex process of globalization. We shall look at the different lines of perception of the people who make up the work team abroad and see how important it is to focus efforts on the right direction so that the company and its objectives move in the same direction. Firstly, it must be explained that the primary function of human resources in the international context is to act as a catalyst.

Individual and organizational skills are mixed around the same table and the same discussions. The mobilization of all actors involved is necessary for the good understanding of all the parties. Regions of the world have their own codes of cultures and perceptions of business. Therefore, the mix of different cultures from different countries can be an inevitable disadvantage in decision-making. It can also become an asset if the management style and decisions are evaluated as a group and in agreement with all parties. Among the various tasks to be accomplished, the function of HR is to harmonize the organization with its working environment to ensure the necessary coherence and flexibility within a multicultural group. Human resources are present so that the establishment can work in good conditions and exercise resourceful management to achieve the expected performance levels.

In his 1999 book, Le Boterf argues that knowledge is one of the embodied resources on which the notion of competence is based. This knowledge helps us to better understand a phenomenon, a situation, an object, an organization or a specific professional context: the culture of the country, traditions, food, clothing, to name but a few concrete illustrations.

If we look at the literature in the field of intercultural competence and for expatriates who have to go through this stage of understanding, it should be noted that many authors insist on the cognitive aspect. The cognitive approach is more than existent in situations where executives move to other cultures. The development of intercultural competence is made up of several well-marked stages, expatriation missions are events that force understanding and often have recourse to a cognitive approach. Amongst these most cited competences, we find the knowledge of the notion of culture in general. In this book, the question is how to analyze and understand the components and determinants mentioned above, as well as knowledge of one's

own culture. We can also mention the knowledge of the specific culture with which one is interacting.

Skills or qualities: dominant personality traits. These skills are qualities that we need and apply daily in our context. In our context and in professional life, intercultural training deals with the problems of effectiveness. In the foreign subsidiaries, we will find different character traits in the hired profiles and certain personality aspects will be predominant in intercultural interactions. The character traits we find in companies are different and depend, as we have pointed out, on the profile of the person concerned. In many cases, the personality lines are mixed, and they are distinct from one individual to another. In fact, when recruiting, one seeks to vary the profile and maximize the potential and skills of human resources.

Management of International Subsidiaries: The EPRG

The Ethnocentric, Polycentric, Regiocentric, and Geocentric (EPRG) model was proposed by Perlmutter in 1969 to highlight the different concepts of company management in international markets. He considered four important strategic predispositions in a multinational company: The EPRG model; is a predisposition where all strategic decisions are guided by the values and interests of the parent company. Such a firm is concerned with global viability and legitimacy in its domestic country. The ethnocentric model is characterized by the unification of systems and strategies: the model applied to subsidiaries is that of the parent company. The polycentric model is a predisposition where strategic decisions are tailored to suit the cultures of the different countries in which the multinational company competes.

The advantage is that it creates a strong corporate culture with a single, clearly identifiable authority system and gives a consistent overall image. The disadvantage is that the needs of employees and customers of the subsidiaries are hardly taken into account or considered. Due to ethnocentrism, intercultural conflicts can arise, causing local resistance. It should also be pointed out that this system is particularly effective when the company has to deal with a simple environment that does not change much. In this case, the company can draw on the experience and skills of the head office and extend them to other target markets. On the other hand, the model reaches its limits as soon as the company positions itself in very different markets which require specific local responses. (Armstrong & Baron 2004)

A polycentric multinational is mainly concerned with its legitimacy in each country in which it operates, even if this means some loss of profit. The polycentric model is characterized by a fragmentation of systems and strategies between subsidiaries and the parent company, the management of entities is as local as possible. The Geocentric model is an attempt to integrate various subsidiaries through a global approach to decision-making systems. The overall purpose of human resource management is to ensure that the organization can achieve success through people. As Ulrich and Lake (1990) remark: HRM systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities. A geocentric firm tries to balance viability and legitimacy through a global business network. The regiocentric model, unites the interests of the parent company with those of the subsidiaries, at least on a limited regional basis. A regional multinational tries to balance the viability and legitimacy of multinationals at a regional level.

The predominant orientation of a multinational is called an EPRG profile. An ethnocentric or polycentric EPRG profile is very common (Perlmutter 1969), while a regiocentric or geocentric EPRG profile is relatively new between multinational companies. This model has contributed

to a better understanding of the strategic and organizational orientations followed by companies at the international level. The theory is a comparative synthesis of headquarters-subsi-dary relationships based on the approach developed by Perlmutter. The comparison is based on three main criteria that represent differences in:

- Organizational approaches: degree of complexity, authority and decision-making, evaluation, and control.
- Intra-firm relationships: cultural orientation, degree of interdependence and autonomy, and origin of flows.

Theoretical and methodological strengths and weaknesses of the different conceptual frameworks are next discussed (Andersen 1997). The choice of practices that an employer pursues is heavily contingent on several factors at the organizational level, including their own business and production strategies, support of HR policies, and cooperative labour relations (Cappelli 1996).

Conclusion

For years, the terminology used by International Human Resources Management was expatriation. Today, with the transformations brought about by the external factors of globalization, we speak of "international mobility management". We can now speak of expatriation in several cases, not just limited to one person and his or her family, but to a wider range of human resources. Transfers of employees to other countries are now a common mode of operation. Transfers are from headquarters to foreign subsidiaries, from foreign subsidiaries to headquarters, as well as international transfers to other remote entities. Mobility is complete, and a person of a different nationality and culture can be deployed in a completely different context in terms of geolocation. In general, expatriation is more open today and we can thus qualify it by using the term traditional expatriates, local and transnational managers (Adams 1991).

Through various theoretical elements, in this paper was addressed the question of the globalization process, which consists in developing the human activities abroad. It is possible to enrich the presentation of this research by proposing that the scope of a company's portfolio of activities can be characterized by three dimensions to which different development logics are associated. The number of business areas in the portfolio, the number of production phases controlled by the company itself in each of the portfolio's constituent areas, the geographical scope or number of foreign markets in which the company operates (Hays 2004: 25).

We have shown, first, that the choice of human resources management is not necessarily planned; it can sometimes be the progressive consequence of the search for new outlets or meetings with professional actors in the international environment. These actors will then become essential local partners for the launch of a national activity on an external market. Globalization is a strategy with many facets and sometimes they are difficult to manage. The company's progressive progress leads to economic, cultural, and structural changes. However, are there any limits to the globalization of companies? There are political, social, and cultural resistances, as well as very powerful forces of mundialization. To understand the international strategic approach, it is first necessary to determine the level of globalization and localization of the activities in which the company operates. Indeed, in its context of human resources management, the company is subject either to localization forces or to globalization forces with expatriates.

We have also highlighted the location forces that tend to limit trading, or all the cases considered to a limited national or even regional area. In the phases of internationalization, several departments of the company will be involved, both at the commercial level and at the industrial level. In the latter case, the financial, legal and tax functions will be particularly involved to both finance and hedge risk. In the last phase of internationalization comes multinationalization, and only if companies reach this stage, the multifunctional strategy is characterized by the concern for coordination between the company's different departments. The choice of the company's organization at this stage plays a crucial role. The development aims to optimize the geographical distribution of production and marketing activities; it is also dedicated to the harmonization of procedures. Some functions, such as currency risk, communication, culture, or human resources, can be perfectly managed in a highly cross-functional manner. This globalization seems to pose a great threat to some individuals (Lee & Larwood 1983: 657).

In this quotation, we want to show that globalization will produce universal attitudes, practices, and institutions or a new birth of global culture. The company is also able to quickly meet a competitor's technological lead in marketing, financial, and strategic products, or processes. This corresponds to a takeover through mergers, takeovers, acquisitions and thus be able to generate economies of scale or increase its diversification capacity (Heather, Voisey, & Riordan 2001: 37) (Levitt 1983: 92).

The expansion of economic and financial exchanges is therefore the expansion of interdependent connections between individuals. Globalization is the expansion of economic mechanisms and financial phenomena to all human activities on a global level. Products are becoming increasingly similar; currency crises are a consequence of this phenomenon and globalization is resulting in global markets and services. The current trend is also to be on the lookout, whether technological, political, financial, economic, or commercial development. The practice of Benchmarking, drawing inspiration from more efficient competitors to develop the key success factors, the control of profitability, with all the social consequences that this creates, the closure of factories, but also redundancies.

Intercultural ignorance is a real factor, and many are affected in their daily functions. No expatriate or executive can ignore these barriers, they are real, present, and part of everyday life. Learning, knowledge, and mastery of theoretical elements are an asset to anyone who wants to apply them in their work and this learning has a profound impact on how the firm is seen to approach foreign markets.

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