Comparison of Organizations’ Human Resource Management Mode in Different Culture

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Abstract. With the whole world swept by the process of economic globalization today, the conflicts between organizational management and cultures are becoming more and more important. Economic globalization sweeps over the whole world and organizations in different countries are constantly learning from each other in competition. The growing successful experience of western organizations tells us that culture has direct effect in promoting or deterring management. The management modes in different countries appear to have their own characteristics. This paper compares different modes of human resource management (HRM) in organizations from the view of culture differences.

Introduction
Culture is the process and consequence of human activities, and it is invisible just like the air and water yet it exists in all the activities we engage in. Economic activities are the basic practice in society, and different countries shape different development patterns under different backgrounds. The development of economic activities promotes the flow of resources from one place to another and enhances the blending of various ethnic cultures in differing areas. Therefore, the development of human economic activities embodies the perfect blending and inseparability of economic activities and ethnic culture. In transnational organizations, people from different cultural backgrounds gather together to undertake the producing activities. Therefore, it is a critical issue confronted by every organization to learn how to organize, manage and motivate employees to give play to the human resource in organizations to the greatest extent and to improve the production efficiency so as to finally achieve the comprehensive advance of organization performance and promote the development of the whole society and state economy. Therefore, how to learn more about the culture from different countries and nationalities in order to motivate the understanding and communication among each other becomes very important.

Literature Review

Domestic and Foreign Current Research Status
The majority of scholars abroad tend to carry out practical research of the organization and they technically analyze the actual impact exerted by the culture on the organizations’ management on the basis of the data obtained.

Kopp (1994) mentioned in his book that under the tendency of globalization, culture is playing an increasingly important role in management. Comparative management is a science studying how the cultural differences influence the actual management process against the background of different social environment and concluding, based on a plenty of facts and data, that various cultures have already benefited the development of American organizations a lot. Tung (1984) believes that business performance of transnational organizations depend on the combination of various available resources—technology, capital, management style and manpower, among which the manpower is a vital factor determining the transnational organizations’ successful management because the removal of manpower prevents other resources from being used effectively. Therefore, transnational
organizations must lay enormous emphasis on human resources planning and regards it as a part of the overall strategic planning and control process of the organization. Salk and Brannen’s (2000) study shows that though national culture can’t be embodied in data, it is of great importance to interpret all types of interrelationship patterns in a team, and especially in the management of transnational company and building of teams, it is the key to motivate team members to get to know each other and promote cooperation.

**Research Method**

The paper lays extra emphasis on the study of the difference in organizations’ management cultural thoughts against various cultural backdrops, so the concrete research methods include:

The first one is the method of comparative analysis. The paper mainly adopts comparative method to analyze the traits of organization human resource management against different setting and by comparison analyzes the cultural reasons contributing to differing patterns.

The second one is the method of induction and generalization. The paper, from the angle of culture, reviews the difference in the management thoughts of the west and the east and the traits of the human resource management patterns in various countries, and generalizes the divergence of cultural management between the west and the east and the strengths and weak points of organizations’ management patterns.

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**Human Resource Management in the United States**

**Market Allocation of Human Resource.** As a typical country believing in liberalism, the labor market in the United States is well-developed. Its organization mechanism opens widely to the outside world and the market mechanism plays a fundamental role in the allocation of human resources (Arthur, J. B., 1994). The demand of organizations for human resource can almost be satisfied through the labor market. The supply and demand relationships between organizations and employees are simply short-term. There is not too much constraint in terms of the rights and obligations.

**Highly Specialization and Institutionalization of the HRM.** The management foundation of organizations in the United States is agreement and rationality, which pays close attention to the rigid system arrangements. The organizations have a clear mandatory and hierarchical organizational structure, with clear division of labor and responsibilities, advocate controlling based on standards, and have explicit stipulations with regard to the procedures and policies in solving the normal problems (Sparrow, P., Schuler, R. S., & Jackson, S. E., 1994). Most organizations have a job description for each position, clearly describing the specific requirements regarding the quality of the employees for each position.

**Pursuit of Capability-Oriented Employment Method.** The organizations in the United States attach great importance to the individual capability, with features of affinity and non-discriminatory externally. After entering into an organization, the employees with master's degrees can be directly upgraded into the management level. The more the education you have, the higher the starting point you will be in. The executives in the middle and senior level may not only be promoted internally, but also be chosen among outstanding people from other organizations, who will be treated equally (Harvey, M., Speier, C., & Novecevic, M. M. 2001).

**Focus on the Construction of Corporate Culture.** Since the 1970s, the organizational management in the United States has entered an era of corporate culture, establishing corporate cultures centering on values to enhance the centripetal force, sense of belonging and cohesion of
organizations. The climax of organizational culture in the United States formed in the 80's is still thriving nowadays. The focus of the organizational culture lies completely in the individual emotion, sense of ownership and initiative and the coordination between individual and individual, between individual and organization.

**Development of Learning Type Organizations.** In early 1990s, the human society has entered into an era of knowledge economy. The learning type of organization is the most typical one in the new management mode. Under the motivation of this theory, the organizations in the United States have launched a new management reform, highlighting the management of human capital and intellectual capital. The organizations are in the transition to learning type of organizations.

**Human Resource Management Mode in Europe**

**Strict Selection and Usage of Employees.** European organizations are in a consistent pursuit of fewer employees with high quality. Both the managers and workers must fully comply with the requirements of the positions, and will be hired only if they have passed all the strict examinations. The organizations will by no means compromise to anybody or lower the standards. After employees' entering into an organization, personal archives will be set up. Most organizations will establish a rigorous performance evaluation system, which will be used to carry out evaluations on the employees (Milliman, J., Von Glinow, M. A., & Nathan, M., 1991). Unqualified employees need to go through re-training or position swift. It is generally believed by the European Employers that only those who are above 35 years old are qualified to be managers. In this connection, the staff promotion in European organizations is relatively slow.

**Implementation of Dual Track for Vocational Education.** European countries put vocational education on the strategic height and implement dual track for vocational education. That means combining learning practical operation in organizations with learning theoretical knowledge in school, and thereby linking the education system together with employment system. It is stipulated by law that all the organizations shall bear the obligations of training apprentices. Students graduated from an ordinary high school may choose and apply for one of the majors stipulated by the state and have a three-year study after enrollment. These kinds of students who are cultivated under the dual track system not only know about the theory, but also know how to operate. After graduation, they can quickly become the qualified talents of organizations.

**Human Resource Management Mode in Japan**

**Strong Culture Tint.** The Japanese culture is deeply influence by the Chinese Confucianism. The core of the corporate culture in Japan lies in respecting and believing people, pursuing "harmony" and loyal ethics. It is generally believed by them that the "harmony" in the corporate group should be put in the first priority. Driven by this consciousness, the operators always regard the morale of the employees as the major management resources of the organizations and thus pay attention to the combination of the management goals of the organizations together with the multi-level demands of the employees.

**Career Long Employment System.** The Career Long Employment System is the most outstanding, as well as the most controversial policy in the Japanese organizational management. It has special meanings for the manufacturing industry which adopts the comprehensive quality management. Firstly, it is helpful for the long-term training program to the employees. Secondly, it is beneficial to the development of the corporate culture. Thirdly, it can increase the employees' loyalties to the organizations. Until today, most manufacturing organizations still maintain a stable employment policy.
**Wage System Based on Seniority.** With the increase of the age, length of service and working experience of the employees, their salaries will be raised automatically. The wage system based on seniority is beneficial to the implementation of career long employment system. The administrators in an organization start working from the grassroots and are promoted gradually during the long process of working in the organization. Thus their familiarity to every aspects of the organization is conducive to the reduction of making wrong decisions.

**Reduction of the Ratio of Seniority Factor and Cultivation of Innovative Talents.** Effective human resource management mode should be based on the changes of the environment. Currently, many Japanese organizations have weakened the proportion of seniority factor in the composition of the basic salary, promoted a capability-oriented system to give corresponding compensation based on one's ability and paid attention to the effective allocation of labor resources in the whole society (Ouchi, W. 1981). A research conducted in January 1996 on the HR managers of organizations which are listed in the Tokyo stock exchange, 82.47% of the HR managers thought that they will try to maintain the career long employment system while only 10% of the HR managers thought that they should maintain the wage system based on seniority.

**Trial on “Annual Salary System”.** Since the 90's, some of Japanese organizations started trying "capability-oriented salary" and implemented “annual salary system". Survey shows that only 10% of the big organizations try out the annual salary system, which basically only aim at managers, excluding the grassroots. Moreover, the organizations adopting the annual salary system do not aim at lowering the salaries of white collars or getting rid of economic recession, but are for the purpose of improving the working efficiency of managers (Ichniowski, C., & Shaw, K., 1999).

**Human Resource Management Mode in China**

**Strong Dependency of Employees to the Organizations.** During the period of planned economy, the labor measurement made by the state-owned organizations was based on non-market situations. The relationship between the individual and the state-owned organization for which one works is one of "dependent" (Hannon, J. M., Huang, I. C., & Jaw, B. S., 1995). After an employee is employed, in addition to the salary, the organizations’ need to afford his housing, medical, insurance and other benefits. Even the responsibilities for the job and education of his wife and kids should be borne by the organizations.

**Harmony of Labor Relations and Internal Personal Relations.** Another major characteristic of human resource management mode of Chinese organizations is the harmonious labor relations, including the harmonious internal relationships and the harmonious external environment (Welch, D., 1994). The family-kind of management attaches great importance to the royalties of its employees and pays attention to the cultivation of employees' sense of loyalties and belongings, trying to capture the hearts of the employees by "love" and making its employees be willing to work hard voluntarily for the goals of the organizations.

**Less Emphasis on the Development and Training of the Employees.** Chinese organizations generally fail to realize that the re-mould of human resource is a profitable investment. Although some organizations do realize the importance of training, yet driven by the fear of "training employees for other organizations" due to the talents flow, they are unwilling to pay sufficient attention and only focus on their pre-job abilities and education qualities. And the desire to strengthen the in-service education, lifelong education and the quality training is not strong enough.
Enlightenment of the Human Resource Management Culture and Mode for Chinese Organizations

Inherit and Carry forward the Excellent Management Idea in Traditional Chinese Culture

Value the Adaptability in Tactics. It means avoiding adhering to the rules and adjusting and altering according to the change of circumstances. Under the intense change of market economic environment, the operating conditions are change non-stop all the time, so the organizations must maintain sensitivity and react actively on its own in order to survive the severely competitive environment.

The Management Thought of Emphasizing Strategy. Scheme and strategy is the epitome of Chinese wisdom, and the strategies in Master Sun’s Art of War has always been acclaimed and used by administrators at all times and across the world.

Chinese Tradition Always Esteems the Idea of “Harmony”. The typical manifestation is that Chinese people highly value interpersonal relationship, and from the state-owned organizations and private companies to employee, all of them pay great attention to interpersonal relationship and attempt to foster a harmonious environment, which happens to coincide with the fact that modern management highlights people’s social side.

Learn and Absorb Scientific Human Resource Management Thought from the Western Organizations

Highlight individualism. China had been stressing the role of the collective in management in the past such as the idea that “to subordinate personal interest to that of the collective” (Yammarino, F. J., & Atwater, L. E., 1993). Such collectivism restrains people’s personality, and valuing only collectivity in the organizational nips people’s imagination and creativity and stem people’s exploitation of individual potential. Therefore, we should find the balancing point between collectivism and individualism which could stimulate team spirit and collaboration, and on the other hand, individual activity could be fully motivated in allusion to Chinese people’s departmental selfishness and the bonding point of individual value and organizations’ value could be located. Then, the individual value could be achieved in the process of realizing the organization’s value, and consequently the mutual promotion and sound development of the two ensue.

Advocate the employee training. It is Japanese organizations’ emphasis on this aspect that makes their organizational performance leap greatly forward. The competition of economy consists in the competition of talents. China’s vocational education has always been the weak chain and to change the status quo, the mentality that receiving education is a stepping-stone to success when hunting for jobs needs to be changed in the first place; secondly, a faultless and sound system of employee’s education must be advocated in order to constantly enrich and enhance the employees in the organizations.

Innovation in Human Resource Management Pattern of China’s State-owned Organizations

With the development and innovation of management thought in Chinese organizations, substantial introduction of management experience from abroad, spread and practice of advanced management methods in China, China’s family-business-centered traditional vertical management pattern will blazes new trails on the basis of the absorbing of progressive management experience from abroad, and China is in urgent need of creating organizational human resource management pattern with Chinese characteristics.
Implement Post Management and Select Employee Truly Suitable for the Position

Post management is the core content of modern organizational personnel system and also the starting point and goal of personnel system reform. It is the key in undertaking post management work to carry out post responsibility specifically, ascertain coefficient of post scientifically and rationally, formulate effective methods for post evaluation, and divide organizations’ employees into management posts, professional technician posts and logistic support posts in order to break the previous identity limit of all kinds of labors.

Improve Employee Motivation Mechanism

The first and foremost in organizations’ motivation mechanism is the salary system and Chinese organizations should exert themselves to strengthen the incentive function of salary.

Highlight the combination of spiritual encouragement and material incentive. For one thing, employees’ economic and material needs should be heeded in order to boost employees’ working enthusiasm and creativity by making good use of material motivation; for another, the supplementary function of spiritual incentive to material motivation should be valued by communicating information with employees frequently, and the salary system and other motivation modes should be combined practically to meet employees’ reasonable needs at different levels and in various forms and shape employees’ sense of belonging to the organization.

Establish and improve salary system with long-term incentive effect gradually. It is centered on the employee stock ownership plan catering to all the staff and the executive stock option plan targeting at the management and technical personnel so as to allow employees to take part in the management of the organizations and share organizational profit and risks together.

Conclusion

This paper, from the perspective of the difference in the western and eastern culture, conduct a brief comparative analysis of the organizational human resource management thought and pattern of various cultural backgrounds. Firstly, we explain the difference of eastern and western management thoughts by comparatively analyzing the cultural traits of eastern and western cultural traits, and conclude by analysis that such difference in thoughts is rooted in differing historic culture. Secondly, by contrast, we analyze the organizational human resource management patterns of several typical countries such as USA, Japan, China and European countries, and come up with the strong and weak points of those patterns. On such ground, we put forth some concrete ideas about improving the status quo of Chinese organizational human resource management in the last chapter, namely, the combination and innovation in management culture and management pattern.

References


