An Emic Approach to Understand Culturally Indigenous and Alien Human Resource Management Practices in Global Companies

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ABSTRACT

A major challenge for practitioners and researchers in the field of globalisation is how to understand culturally indigenous and alien human resource management (HRM) practices using 'emic' rather than 'etic' characteristics to design effective diversity management for global companies. Initially, the study draws on literature to discuss the limitations of culturally alien HRM practices in global companies, and subsequently, a framework to understand culture based HRM practices is provided. Lastly, the framework is used to analyse three organisational stories to understand the impact of national culture, and culturally indigenous and alien HRM practices on organisational effectiveness among global companies. Implications of study findings and further research opportunities in this area are discussed.

INTRODUCTION

In the globalised economy, investment flows from developed countries to foreign investment hungry developing countries. Along with investments, economic and industrialisation the globalisation processes spread the introduction of Western management practices with an intention of achieving above average returns on investment (Jaegar 1993). Implicit in these seachanges there has been considerable "... interest in comparative and international human resource management (HRM) ..." (Zanko, 2003: 75) and emerging trends and issues in this domain of the literature. These concerns embrace fundamental emic (culture specific) and etic (broad or common) work related preferences (McGaughey, Iverson & De Cieri 1997), which are intertwined with domestic and international HRM. Expectedly, some commentators believe globalisation will encourage convergence of value systems while the divergence school promotes a perspective that national interests will dominate attitudes and behaviours. Hence, debate about high and low context societies. For example, China is labelled as having a high context culture by Onkvisit and Shaw (1993) based on observing Chinese behaviour, which is an 'outsider' view. But Jizhong and Shan (1997), in their article, have highlighted how symbols (Chinese scripts) and forms of thinking of the traditional Chinese (originated 2000 years ago) are understood based on the context it is used in, and related to Chinese culture. This is another explanation why Chinese behaviour is high context based, which is an 'insider' view.

Many HRM theories and practices used in current management literature have originated from Western countries, and particularly from the USA which has benefited the economic achievements of the industrialised world (Jaegar 1993). Hence, many developing countries choose to use these Western HRM practices grossly disregarding the fundamental differences in sociocultural constraints, local conditions and circumstances. Why do many developing countries blindly believe that Western HRM practices are transferable to their countries? This can be explained by 'social comparison' in the social identity theory (Tajfel & Turner 1979). In social comparison theory people compare their own group with others and look for reasons why the other group is better and identify themselves with that group. Nevertheless, the term 'Western' HRM practices is too broadly based because even among Western countries the cultural values are different. These effects have been witnessed in the unprecedented reshaping of managerial values, attitudes and behaviours as reported in a variety of cross cultural studies (Westwood & Posner 1997, Falkenberg 1998). Hence, the term, 'culturally alien' HRM practices, is used to refer to HRM concepts and practices that are imitated by the host country companies from an alien culture without any conscious and rational

choice, and which does not support the existing values of the host country. Alternatively, culturally indigenous HRM practices of a host country company are those based on the host county's context of economic, political and cultural factors that mould employee's work assumptions, beliefs and values.

A number of HRM theorists will have reservations in accepting the culturally indigenous HRM practices argument because they might believe that management practices evolved through the period of Feudalism till socio-technology. Hence, HRM practices have to be innovative at every evolutionary stage to make them work effectively for the organisation. The contention advanced in this paper is that culturally indigenous HRM practices evolved along with the country's national culture, and are time tested. Therefore, adequate consideration has to be given to develop synergies between the culturally indigenous HRM practices of the country of focus and a company's HRM practices that are evolved from 'alien' cultures (Bartlett, et al. 2002). Consequently, this article is not about stereotyping culturally indigenous HRM practices, but the paper attempts to help practitioners and researchers in the field of globalisation of companies to understand that better clarity of culturally indigenous HRM practices will help design effective diversity management for a global company.

This paper is not about convergence or divergence in the HRM practices of global companies, but explores whether unscrupulous transfer of Western management practices to a country of focus through globalisation is effective or not. The paper further presents information as a foundation for helping to understand culturally indigenous HRM practices in a host country to help design diversity management practices for global companies using emic, an 'insider' view, rather than using etic, an 'outsider' view (Akin & Palmer 2000). Taking up this notion, firstly, this paper draws on literature to discuss the limitations of culturally alien HRM practices in global companies. Secondly, a common framework of how organisational effectiveness is affected by micro and macro levels (cultural, socio-economical, and political) of organisation and indigenous work culture is discussed. This framework has been evolved from the model of socio-cultural influence on organisational effectiveness as advanced by Kanungo and Jaeger (1993). Thirdly, the culturally indigenous HRM framework is used to analyse three case studies to understand the impact of national culture and culturally indigenous HRM practices on organisational effectiveness among global companies.

PREVIOUS LITERATURE

Civilisation and Culture

Work is a pattern of behaviour, which gives a person a sense of identity and purpose and may be necessary for mental well being. It is not very clear whether a desire to work is an innate behaviour, but it is evident that human beings have a capacity to learn and to persist with goal directed behaviour is an innate pattern that is different from animals. The learned behaviour of work is a product of cultural factors: through historical processes a society develops certain attitudes to work and ways of working, and these are passed on to children in the course of education and other kinds of socialisation. Different civilisations in the past and different nations (e.g., Japan, South Korea) in the contemporary world have evolved very different patterns of work attitudes and types of organisation.

The human being is a tool making animal and it is tool making that constitutes civilisation. The civilisation of a race is simply the sum total of its achievements in adjusting itself to its environment. Advancement in civilisation depends upon the improvement of tools (e.g., Stone Age, the Bronze Age, the Iron Age, Steam, the Electricity, Electronic and Digital Age). The difference between East and West is primarily based on the tools used. The West has moved far ahead because of the tools devised to enable the conquest of nature and the multiplication of the power to do work. Oriental civilisation is based on people, and Western civilisation is based on power of machinery, and hence, the cultural values towards work are also different.

The Webster's New Collegiate Dictionary defines culture as, "… the integrated pattern of human behaviour that includes: thought, speech, action and artefacts, and depends on a person's capacity for learning and transmitting knowledge to succeeding generations.". Williams (1961) explained three general categories in the definition of culture. Firstly, it is considered as the 'ideal', in which culture is a state or process of human perfection, in terms of certain absolute or universal values. Secondly, there is the 'documentary', in which culture is the body of intellectual and imaginative works that is the details of the language, form and convention, which are described and valued. Finally, there is the 'social' definition of culture, in which culture is a description of a particular way of life, which expresses certain meanings and value in institutions and ordinary behaviour. The third definition is more appropriate to the present article because it reflects how culture affects values and behaviour in a society.

Culture also influences behaviour in a group and that leads to sub culture. Clarke, Hall, Jefferson, and Roberts (1976) explain that culture is the way the social relations of a group are structured and shaped, but it is also the way those social relations are experienced, understood and interpreted. Groups that exist within a society might share a common historical condition, but they might be ranked different based on their productive relations, wealth and power, and this leads to the dominant and subordinate culture. The dominant culture of a complex society is never

a homogeneous structure. It is layered, reflecting different interests within the dominant class, containing different traces of religious ideas within a secular culture, as well as emergent elements in the present, such as multiculturalism. It is more appropriate to use a term 'cultures' instead of culture, because it is no more one dominant culture, but has traces of coexisting subordinate cultures in the dominant culture itself. Thus, in this article, the term 'culture' is used in reflecting 'cultures', that is a dominant culture with traces of other subordinate cultures.

Culture and sub culture mould employees' values and values influence employees' perceptions and decisions. Values represent stable, long lasting beliefs about what is important. They are evaluative standards that help us define what is right or wrong, good or bad, in the world (Sagie & Elizur 1996). In each country there are different work values because of the dominant and subordinate cultures, which coexist in that country. Oscar Wilde's well known saying, "… a cynic is a man who knows the price of everything and the values of nothing …" is a poet's reminder that people tend to view everything in life in quantifiable 'fact' and/or non-quantifiable 'value' terms. The relative importance of 'facts' to 'values' in top level decision making will vary depending on situations, but more often managers make decisions because they value certain ways of action in spite of the price they must pay.

East and West: Business Culture

Cultural differences are not solely a concern of East and West because the countries referred as East and West are not homogeneous, and hence, this reference is not going to be useful in future. For example, there are cultural differences between Japanese and Chinese in respect to data processing (Minkies 1994), and between French and British firms in respect of hierarchy and authority (Foster & Minkies 1999) leading to different management practices. The reference to 'East' and 'West' is contrary to the core theme of this article, but its usage is only because of the limited literature in national culture and culturally indigenous HRM practices compared to literature under the umbrella of East and West (Foster & Minkies 1999). One of the objectives of this article is itself a step forward in developing and collating literature of culturally indigenous HRM practices based on organisational stories.

Limitation of Culturally Alien HRM Practices

Developed and developing countries are contrasted on the characteristics of their socio-cultural environment because of their views on the nature of causation and control over life outcomes. Most Western societies believe that they have considerable control over their environment and of events in their life, whereas developing societies perceive themselves as being at the mercy of events in the environment. Thus, in developing countries, the notion of context dependence (external locus of control) will be more likely to guide their HRM practices in organisations and for Western societies it would be internal locus of control. Another difference in cultural assumptions, which affect HRM practices, is the beliefs about human potential and malleability (Jaegar 1993). Western societies believe that human potential is unlimited and highly creative; in contrast, developing countries view it as more or less fixed with limited potential.

Need for Culturally Indigenous HRM Practices

Management practices are not new to any civilisation because every civilisation managed its environment and scarce resources (money, people) effectively to survive and prosper. In industrial countries the prosperity of economic achievement is far more than the developing countries, and hence, many developing countries blindly adopted the Western management theories hoping to achieve economic prosperity. Uncritical transfer of management theories and techniques based on Western ideologies and value systems has in many ways contributed to organisational inefficiency and ineffectiveness in the developing countries as well as in other countries which does not share the same value systems (Kanungo & Jaegar 1993).

Employees' assumptions, beliefs and values are moulded by the culture to which they belong. Basic assumptions and premises are fairly deep rooted in an individual, and hence, the culture cannot be changed to meet the demands of management. In a nutshell, culture facilitates and/or inhibits behaviour subconsciously. The impact of culture on indigenous management practices will be twofold. First, the management practices are natural hence, they reflect the value of the local culture and it will not include behaviour which runs counter to the culture. Second, it influences employee's perception of the external and internal environments, and hence, the evaluation of those factors leading to decision making (Negandhi 1975).

The external and internal environments constantly influence organisations, and the HRM practices effectively help manage a good fit between these two environments to achieve organisational effectiveness. Uncritical adaptation of Western HRM strategies is neither necessary nor desirable for managing organisations in developing and other countries (Kanungo & Jaegar 1993). It is important for these countries to develop relevant HRM theories and practices based on the local conditions and circumstances, and socio-cultural forces. Thus, it is significant to

recognise explicitly the context of economic, political, and cultural differences between the developed and the developing countries and appropriately to develop and modify the knowledge and technology that is best suited to managing organisations in these areas. This is quite evident in the newly industrialised Asian countries, such as South Korea, Taiwan, Singapore and Hong Kong as well as in Japan, where their HRM styles and work attitudes are rooted in Confucian and familial values, and institutional structures that are not necessarily Euro-American (Sinha & Kao 1988).

Criticism of Culture Specific Studies

In the past, many social scientists and social advocates criticised culture specific studies. Some believe that such inquiry is nothing, but unscientific stereotyping, usually with malevolent intent and effect. Some others assert that culture studies obscure the uniqueness of the individual and also lead to racism and bigotry. It is also believed that cross cultural comparisons are used to legitimise cultural generalisation by comparing it with other cultures, but this in no way reduces the misuse to oppress or persecute a particular group.

Yes, it is true that culture specific studies are like a double edged knife, if it is not used carefully and judiciously it will oppress or persecute a particular group. The negative aspect of the culture studies should not over shadow the positive aspects. The positive aspect of culture studies in understanding indigenous management studies is its use in diversity management. In diversity management it is accepted that individuals are different and it is well documented in psychology that culture is one of the determinants of individual differences. Hence, using the understanding of culture based individual differences for managerial decision making is very useful in the global management context. For example, team based management is becoming the more common HRM practice, but the Western management structure is not suitable for such management practices. Thus, it is possible to draw from the African, Indian, Chinese and other Eastern social structures, notions that enhance group based performance and achievement, and apply these concepts when designing Western organisational structure so as to be successful in using team based management. There can be similar applications of indigenous culture based HRM practices in diversity management.

A CULTURALLY INDIGENOUS AND ALIEN HRM MODEL

Figure 1 provides a framework to study the impact of external and internal environments on culturally indigenous and alien HRM practices on organisational effectiveness. Also the model indicates the factors that are important to measure and understand each of the variables in interpreting culturally indigenous and alien HRM practices. The political, economical and social conditions of a country are the external variables shown in the model that affect cultural values. These cultural values subsequently mould and shape the culturally indigenous HRM practices in a country.

Organisational functioning depends on the behaviour and attitudes of people within a particular society. The socio-cultural environment within which the organisation operates profoundly influences organisational behaviour (OB) and hence, the model (Figure 1) is based on the OB model. The characteristics of HRM practice can be understood based on the three levels of OB study (individual, group and system level). The determinants of each level of OB are moulded by the socio-cultural environment, as well as by the HRM practices. The determinants of each level that are of main focus in this article are provided in Table 1.

The HRM practices will have different impact on these determinants according to the cultural values and beliefs of a society. To understand the characteristics of HRM practices it is possible to use these determinants. For example, Lane and DiStefano (1988) studied the effect of the value orientation of the Kluckhohn and Strodtbeck (1961) paradigm on management behaviour and argued that goal setting would tend to be "… qualified, hesitant and vague." (p. 21) and that budget systems would be futile with predetermined outcomes among developing countries. The feeling of being subjugated to nature and context dependent would, in effect, make specific planning and budgeting seem pointless, as events could alter their expected outcomes.

Cultural values are studied using different frameworks like the Kluckhorn-Strodtbeck (1961), Hofstede (1983), Trompenaars (1993) and Schwartz (1994) frameworks. Each one of these authors has chosen a different approach in an endeavour to understand cultural values and management practices. The Schwartz approach has combined the Kluckhorn- Strodtbeck and Hofstede approaches, and has provided 11 broad based domains, which can be useful for understanding different national cultural values. The domains are self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, spirituality, benevolence and universalism.

International business and cross cultural management studies recognise the importance of socio-cultural environmental variables as being a major determinant of organisational effectiveness within a given country and across various countries in the world (Kanungo & Wright 1983). Nevertheless, in this article, to understand culturally indigenous and alien HRM practices in an organisation the behavioural determinants are used. Now that the model has provided the framework to understand the impact of national culture on organisational effectiveness,

it is important to explain how it is going to be studied.

Figure 1 Culturally Indigenous and Alien HRM Practices Model
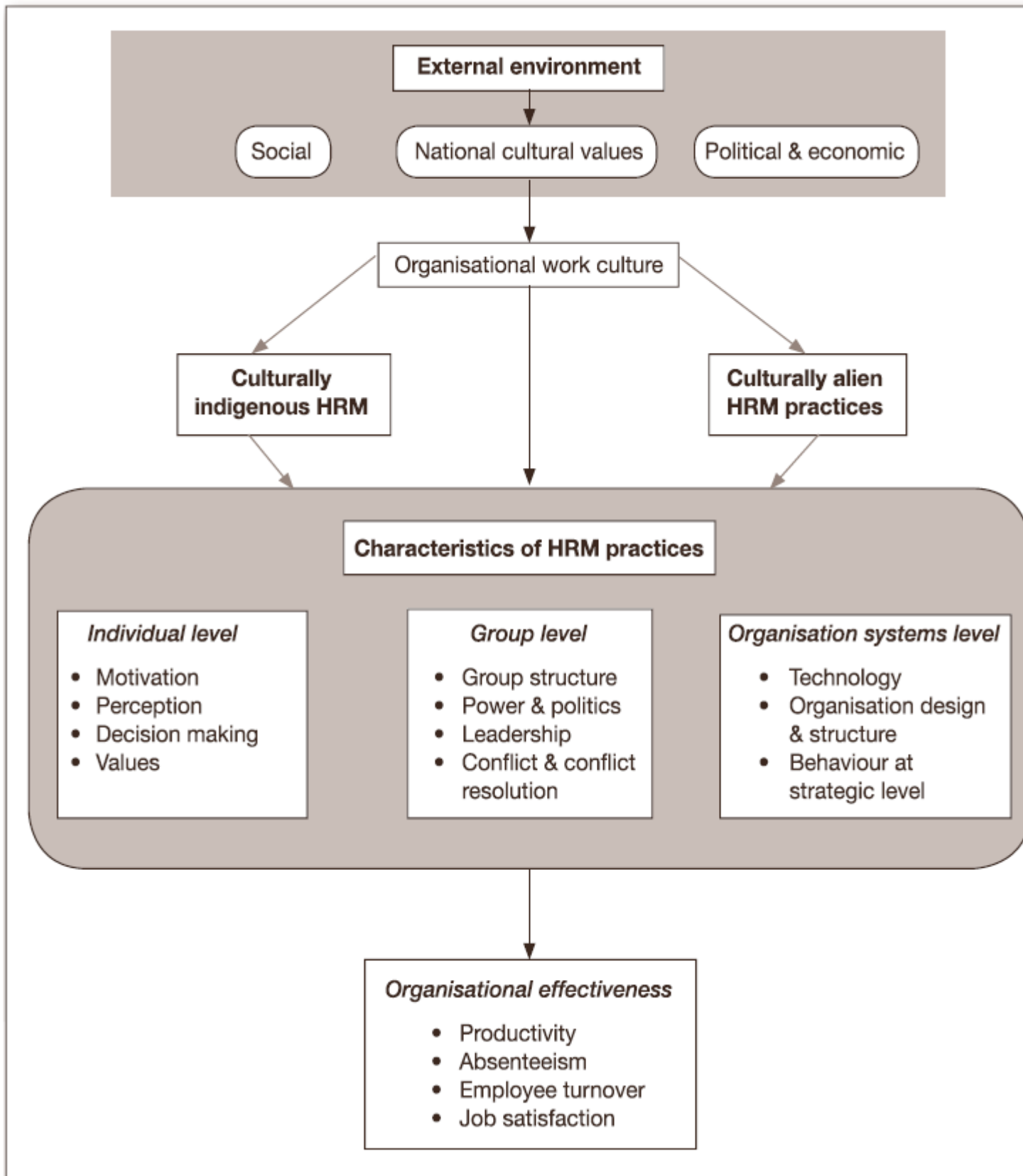
METHODOLOGY

Using the conceptual model that is shown in Figure 1 the effect of culturally indigenous and alien HRM practices on organisational effectiveness was explored. This model highlights the HRM practices for different behavioural determinants in the three levels of an organisation, which contributes to understanding whether culturally indigenous, or/and alien HRM practices are used in an organisation. Organisational effectiveness, productivity, absenteeism, employee turnover and job satisfaction are the products of different HRM practices in an

organisation, and the latter in turn is influenced by national culture.

Table 1 Determinants of Organisational Behaviour to Understand Culturally Indigenous and Alien HRM Practices

OB level	Determinants
	Motivation
	Perception
Individual level	
	Decision making
	Values
	Group structure
	Power and politics
Group level	
	Leadership
	Conflict and conflict resolution
	Technology
Organisation system	Organisation design and structure
	Behaviour at strategic level

Story Telling as an Interpretive Strategy

In this study the characteristics used to distinguish between culturally indigenous and alien HRM practices in organisations are understood to be based on the organisational stories told by three senior level managers from different global companies. Subsequently, the organisational stories are also used to study the impact of those characteristics on organisational effectiveness. The story telling literature provides a different perspective to study organisational behaviour (Berry 2001), helping to understand culturally indigenous and alien HRM practices based on the implicit and explicit themes in the stories narrated. Organisational stories are the primary qualitative means of collective understanding of an organisation (Boyce 1995), specifically if the events being described are complex and perhaps contradictory (Boje, Fedor & Rowland 1982, Brown 1994). In this article, a story is operationally defined as: explanations provided by the participants to explain the cultural reasons for a particular HRM practice relating to the three levels of organisational behaviour. This operational definition is based on Weick's (1995) definition of stories, that is, stories that reflect individual sense making. Furthermore, stories by themselves do not create understanding in employees or others (Boland & Tenkasi 1995), but they also assist in describing and making sense of corporate practices (Berry 2001).

The three stories discussed in this study are based on the interviews conducted with three senior level managers currently working in Australia. Participant 1 is an Australian, while participant 2 and participant 3 were born in India, and China, respectively, but are naturalised Australian citizens. All the three participants are above 45 years of age, participant 1 is a female and the other two participants are males. They all worked at least once in a global company in Australia, India or China during their respective professional careers. Three thirty minute sessions were used to document the organisational stories, which were prompted by cues relating to organisational behaviour determinants. The author conducted all the interviews.

The story lines (cues) used in the interview relate to dominant culture(s) and culturally indigenous HRM practices in employee motivation, leadership, and organisational structure of a global company in the participants' country of origin. Furthermore, the effectiveness and ineffectiveness of culturally indigenous and alien HRM practices used in achieving global company's goals were also probed. The stories narrated by the participants were recorded and fully

transcribed and classified based on culturally indigenous and alien HRM practices debate. The participants' explanations to different HRM practices were used for analysis. When a HRM practice is identified as a culturally indigenous HRM practice then a further cultural reason for that practice was probed. When the managers narrated any culturally alien HRM practices in their stories, then the characteristic of 'constructive imitation' was used for analysis. Constructive imitation is a law of social law and is characterised by the following six items:

1. Based on a conscious and rational choice,
2. Supports an existing and sound value,
3. Would hamper the development of the society concerned if not adopted,
4. Does not disrupt other aspects of social life considered more valuable,
5. Enters into the collective value system, and
6. Not the effect of manipulation by external groups, motivated by their own interests.

In this study, items one, two, five and six were used for analysis of culturally alien HRM practices. The sixth item is partitioned into two separate items for the purpose of analysis. This approach to story analysis is considered acceptable, because the whole story was told by participants to explain the context and explanation of various HRM practices, and their relationship with organisational effectiveness, whereas a theme coded approach has less safeguards to capture the whole story. In strategic management research it is common to use a manager's reflections to measure a company's performance and its organisational effectiveness (Datta 1991, Larimo 1993). Indeed, a manager's mental map is based on social construction, and this reflects the reality (Berry 2001) as described by the participants. All participants did not narrate their stories for all the cues (story line) used in this article, but overall they have provided culturally indigenous and alien HRM practices explanations for many organisational behaviour determinants. An overview of these notions is presented as Table 2.

Table 2 Characteristics of Constructive Imitation of Culturally Alien HRM Practices in Multinational Companies (MNCs)

Characteristics of constructive imitation	Participants		
	Australia	India	China
The culturally alien HRM practices used in the host-country indigenous company are based on a conscious and rational choice of the company.	No	No	No
Does the culturally alien management practice support an existing and sound value of employees in the host-country indigenous company?	No	No	No
Can culturally alien HRM practices enter into the collective value system of employees in the host-country indigenous?	Yes	To some extent	Slowly enforced by the company
Culturally alien HRM practices in MNCs are not the effect of manipulation by external groups (like multinational, global companies)	Yes	Yes	Yes
Culturally alien HRM practices in the host-country indigenous company are motivated by company ⸏ s interests	Yes	Yes	Yes

RESULTS

Culturally Indigenous HRM Practice Debate

Individual's assumptions, beliefs and values are moulded by the culture to which they belong. Basic assumptions and premises are fairly deep rooted in an individual, and hence, the individual's culture cannot be changed to meet the demands of management. Culture facilitates and/or inhibits our behaviour subconsciously and moulds the organisational work culture. Stories provided by the participants suggest that Australia, China and India have unique national culture.

Participant 1 (Australia) Classical Anglo-Saxon culture, changed towards more 'egalitarian' culture – opportunity to all, as migration increased from other parts of the world. Our newspapers report more about 'individuals are being disadvantaged' to highlight the egalitarian culture. Many Australians love sports, which infers their positive

demonstration of energy, competitive nature and fighting spirit.

Participant 2 (India) In India, employees are driven by their cultural value of being 'duty' bound (Karma). Work is viewed as an extension of their personal lives and people rarely differentiate between work and personal life. Also, another important cultural value is where people believe that their life is predetermined at the time of birth. This does not mean that they believe in 'fate' and don't work hard, but simply that they strive for excellence in whatever they do without looking forward to any tangible reward, which is reinforced by 'Karma'.

Participant 3 (China) The national culture of Chinese is context based. This can be traced to the evolution of Chinese language. Initially Chinese used pictures to communicate to others, and subsequently scripts were developed. Many non Chinese who learn Chinese know that it is difficult to learn to write Chinese and it is more difficult to speak because the Chinese language uses tone based explanations. For example the word 'Gong' it can mean sugar, soup, hot or lie down based on the tone of the speaker. The Chinese language influences their culture, and hence the culture is also more context based.

These stories about national culture suggest that this phenomenon is unique, and it does influence the employees' work culture in the respective countries. An understanding of national culture will provide a better platform to explain and appreciate culturally indigenous HRM practices in a country.

Importance and Application of Culturally Indigenous HRM Practices

Participant 1 (Australia) The organisation I am currently working with is a multinational company. The Australian operation has much flatter organisational structure compared to other locations. This is because of the egalitarian culture, the power relationship between levels of organisation is low, and leader's 'earn' respect rather than by virtue of authority. A good understanding of this is very important for a manager to be successful in Australian organisations.

Participant 2 (India) As an example, let us discuss about the implementation of organisational change in India. It is less difficult than in Western countries because most Indians believe that such an incident is predetermined in their lives, and hence, they feel that they can do very little to resist such situations. Therefore, they are less anxious, accept changes, and move on with their lives more positively.

Participant 3 (China) When we used to receive delegations from China for business purpose, I used to suggest to the CEO of the company (Australian) that establishing personal relationship is very important in doing business with Chinese. Invite the Chinese delegation for a BBQ on weekends and let them know about your family and you also should know about their family. Businesses are done based on personal level networks instead of it being done in formal meetings. This is because in China, the host makes them available one hundred percent of their time to their guests, and it is not like in Australia where we believe that work is eight hour shifts.

The snapshots of stories infer that the debate about culturally indigenous HRM practices is important for businesses. The material presented highlights that an 'emic' approach to understand the cultural reasons for HRM practices is useful, rather than just learning to replicate a culture specific HRM practice as in a cross cultural context.

Characteristics of HRM Practices

The study was limited in approach. Motivation, leadership and organisational structure are the only determinants that were chosen from the respective levels of organisational behaviour.

Participant 1 (Australia) Money is an important motivator to some extent, but for Australians collegiality and commitment to work relationship are also very important. I have heard from employees leaving company to take up another role for less money in a different company because of negative work relationships. This is because of the egalitarian culture of Australia.

Participant 2 (India) It is not only important to entice Indian employees' hearts and minds as stated in the Western literature, but also the soul of employees'. That is, Indians believe that performing their duties (Karma) is a means to liberate themselves from the clutches of rebirth. Hence any tangible and/or intangible motivators used in the Indian context should also focus on the soul of employees.

Participant 3 (China) Monitory rewards in China have become more common only in the last 15 years, it was political or spiritual motivation that was important before that. In China, anyway there are no significant monitory gains for employees because the government administers it centrally. Managers in this context invest in emotional network like establishing paternalistic relationship with the employees' family instead of monetary reward

promises.

Only Participants 1 and 2 provided information about leadership style.

Participant 1 (Australia) Leadership style to manage Australians is distinct. The managers/leaders are more casual and egalitarian in approach. Power distance between top level managers and the front line staff is low compared to other countries where I worked before this job. Leaders are expected to be a coach and use participative approach in decision making.

Participant 2 (India) It is common that many managers use paternalistic style leadership, but outsiders view it as autocratic style leadership. Paternalistic style leadership signifies that managers' care about employees' welfare and betterment rather than enforcing their ideas and opinions to their subordinates.

Organisation Systems OB level – Organisational Structure

Participant 1 (Australia) Flat organisation structure is more common in Australia. Front line staff can speak more freely with the top management staff. Communication from the top managers also happens more freely with the front line staff. This means that the decision making process is more participative compared to the other cultures.

Participant 2 (India) Power distance between different levels in organisation is high. This because the society is highly structured and hence it is a common practice for the managers to inform subordinates what to do, and subordinates also wait for instructions from managers before starting any task.

Participant 3 (China) Over the years organisational structure has become more centralised from the beginning of dynasty rule in China. Today organisational structure is also centralised because of political reasons and political culture in China.

Culturally Indigenous HRM practices and Organisational Effectiveness

Participant 1 (Australia) Australia is a multi-cultural country and values diversity in its culture. As managers we try to use diversity management practices in our company, which means that our work norms and practices are not just based on Australian cultural values alone. We try to adapt different cultural values in our company, and hence it is challenging for me to just pick on Australian culturally indigenous HRM practices and state how it has affected organisational effectiveness. But I am certain that the understanding of egalitarian culture in the Australian context has made me appreciate diversity more than ever, and many employees have highlighted to me that they enjoy working in such work culture.

Participant 2 (India) There are three types of organisations in India. Firstly, multinational companies, which uses predominantly Western HRM practices. Secondly, hybrid companies that uses both indigenous and Western HRM practices. For example, in marketing function the companies use predominantly Western HRM practice, and in HR function more culturally indigenous HRMP practices are tried. Thirdly, small businesses that are not exposed to Western HRM practices continue to use culturally indigenous HRM practices. I believe that in India more than 72 percent of employment is created by small businesses, and hence, I assume that those businesses are effective in achieving their goals by using culturally indigenous HRM practices. I cannot say for certain that my assumption is true, but I believe it strongly.

Participant 3 (China) It is challenging to state that organisational effectiveness is achieved in China using culturally indigenous HRM practices because till recently all companies were owned and managed by the government. But I can say that overseas Chinese (those Chinese living other than Mainland China including Hong Kong) also have similar cultural values as Chinese, and they use culturally indigenous HRM practices in their businesses. Overseas Chinese are successful in their business ventures and hence it can be inferred that culturally indigenous HRM practices do contribute to organisational effectiveness.

DISCUSSION

Responses from all three participants indicate that there was no conscious and rational choice made by the companies in imitating culturally alien HRM practices in the host country indigenous companies. But analysing item 4 in Table 2 it was revealed that the participants feel that culturally alien HRM practices are not the effect of external groups manipulation. Further analysis for descriptive responses for the items 1 and 4, revealed that the three participants' focus of companies for analyses were multinational companies in respective host countries. Hence, the culturally alien HRM practices are foreign to the host countries, but not to the companies. Moreover, in

this study all the companies of focus were multinational companies, they are from Western countries, and they follow their own HRM practices irrespective of the country of business operations. This is supported by the participants' responses to item 2 that culturally alien HRM practices are not compatible to employees' existing values in their respective countries. Table 2 captures the brief responses provided by the participants regarding the characteristics of constructive imitation of culturally alien HRM practices.

The stories provided in this study narrate different culturally indigenous HRM practices used in organisations of focus, and also how they influence organisational effectiveness. The participants have indicated that there are culturally indigenous and alien HRM practices in large companies, but this study was unable to establish the relationship between culturally indigenous HRM practices and organisational effectiveness.

There are two interesting findings in this study regarding imitation of culturally alien HRM practices in the host country indigenous companies. Firstly, continuous exposure of culturally alien HRM practices by companies to their employees can make such values as part of any established value systems of employees in all three countries. This means that employees' value systems evolve over a period of time based on compatibility of new and existing value systems. Secondly, participants in this study believe that company's interests motivate culturally alien HRM practices, and it didn't matter whether it matched with employees' value systems or not.

Culturally Indigenous and Alien HRM Practices in Australia

The snapshot of stories provided by participant 1 highlight that Australians have an egalitarian culture. This is a dominant culture, as the HRM practices are influenced by the egalitarian management style (Byrt & Masters 1995, Lansbury & Spillane 1998). Westwood and Posner (1997) have revealed that the personal values held by managers have increasingly been shown to have an impact on their behaviour and performance, and ultimately, on organisational effectiveness. Although in this study the link between personal values and organisational effectiveness is supported, it is not clear whether culturally indigenous HRM practices in Australia have an impact on organisational effectiveness. This is because participant 1 believes that Australia is a multicultural society, and hence, in Australia diversity management is a preferred approach to culturally indigenous HRM practices. The important finding is that in Australia managers practice diversity management (practices drawn from different cultures) in their approach without being aware of the cultural reasons, which supports the assumption in this study that it is important to be aware of the cultural reasons for such practices rather than just replicating the practice without 'emic' understanding.

In understanding imitation of culturally alien HRM practices, participant 1 has indicated a convergence of HRM practices in global companies. Arguably, these corporations are trying to achieve level of consistency in their HRM practices among operations in other geographical regions. This observation highlights the 'institutional transferability', which is the practice of the affiliates of multinationals exporting their HRM practices to their host country employees (Bartlett, et al. 2002). The data from this study also reveals that culturally alien HRM practices in the company does not support existing and local values of employees, and Bartlett, et al. (2002) suggest this lack of synergy between these cultures would pose problems to employees. But in the present study there was no indication of this effect, which may be because of a 'strong' organisational culture (Gordon & DiTomas 1992) that is based on an alien culture, compared to the 'weak' indigenous culture.

Culturally Indigenous and Alien HRM Practices in India

The stories about culturally indigenous HRM practices in an Indian company highlight the 'emic' understanding of the national culture compared to the 'etic' understanding of the same culture reported in the Aycan, et al. (2000) study. The same study cites the Radhakrishnan (1962) suggestion that the theory of Karma became confused with fatality in India, being used as an excuse for inertia and timidity and reframed into a message of despair, rather than of hope. Nevertheless, participant 2 in this study has pointed that the confusion between 'Karma' and 'fatality' is not true. Indian employees use 'Karma' to perform their organisational duties as an extension of their own life, and hence, work harder to liberate their soul from re-births. Beer (1994) examined the Bhagavad Gita (a part of the epic Mahabharata 900 BC) and explains 'Karma' that deals with devotion to duty without attachment, or desire for reward. Furthermore, the participant believes that fatalism is used to effectively overcome the uncertainties during organisational change. Being complacent and accepting the state of despair in a person's life is an effective way in coping with any change in life. Therefore, in this study the participant has, in particular, indicated that there exist no confusion between 'Karma' and 'fatalism' among Indian employees.

The other indigenous HRM practice discussed by the participant in this study is about 'paternalism'. It was stated that in Indian companies the common leadership style used is paternalism. This leadership style contrasts with authoritarianism, often discussed in Western cultural contexts (Northouse 1997), as it is about guidance, protection, nurturance and care to the subordinate. In return, the role of subordinate is to be loyal and deferent to the superior. The participant's stories also highlight that paternalistic leadership style in the workplace is not about authoritarianism.

The participant has indicated in his stories that culturally alien HRM practices are commonly used in multinational and hybrid large companies. Alternatively, small companies tend to use more of culturally indigenous HRM practices in India. The Bartlett, et al (2002) study supports the participants' stories. These authors found that multinational companies tend to use uniform policies and practices across different geographical locations. Also, diffusion of knowledge and imitation is likely to influence indigenous firms of a country to become hybrid companies (Gopalan & Stahl 1998). And a significant finding from this study is that to understand culturally indigenous HRM practices in India it is important to study small businesses instead of multinational and large hybrid indigenous firms in the country. Many studies on this topic highlight that convergence of traditional and reform values imposed by external environment (Chatterjee & Pearson 2000), convergence in policies and practices for uniformity among multinational companies and imitation by host country indigenous firms (Bartlett, et al. 2002), and India's managers exposure to Western ideas through the systems of management (higher) education (Sapre 2000) has lead to the mindless adaptation of culturally alien HRM practices. A mindless adaptation of culturally alien HRM practices in MNCs in India is because of external pressures, and hence managers working in MNCs have limited options to try culturally indigenous HRM practices. The Western literature based management education pertaining to India does not give many opportunities for prospective managers (of businesses in India) to appreciate the role of culturally indigenous HRM practices.

Culturally Indigenous and Alien HRM Practices in China

The snapshot of stories narrated by participant 3 highlight the basis for context based Chinese culture and this is supported an article by Jizhong and Shan (1997) in which it was contended that Chinese traditional forms of thinking are moulded by the language development. Chinese language development as an explanatory basis for the context based culture in China, as promoted in this study, made a significant contribution to the cross cultural management literature. This study also highlights the role of 'guanxi' (special relationships) in Chinese culturally indigenous HRM practices and the reason that 'real decisions are made outside of the meeting through indirect communication' (Stuck 1999).

Participant 3 indicated that organisational structure in Chinese companies is hierarchical. Chinese view old age as a glorious thing and respect seniority because of the rich experience and wide knowledge acquired. Hence, seniors lead the company and, inturn, the company becomes more hierarchical based on 'guanxi' (Westwood & Posner 1997). Decision making in Chinese companies is highly centralised. This approach can be traced back to Confucianism in China. Confucius (551 BC) endorsed a 'Paternalistic government' in which the leader is kind and honourable and the subjects are respectful and obedient. In this study there is no clear relationship between culturally indigenous HRM practices and organisational effectiveness in a Chinese company, but inference from overseas Chinese with similar cultural values (Fan 2000) indicates that culturally indigenous HRM practices do impact organisational effectiveness. Regarding culturally alien HRM practices in a Chinese company, it is revealed that convergence of HRM practices is the common reason along with 'institutional transferability'. This means that culturally alien HRM practices in Chinese company does not support existing and local values of employees, and hence, it would pose problems to employees in the future.

CONCLUSION

The stories provided in this study explain the cultural reasons for indigenous HRM behaviour, but the participants failed to reveal the cultural basis for the culturally alien HRM practices, which are adopted in their company. This is because of imitation of culturally alien HRM practices or institutional transferability of HRM practices by multinational companies to their host country employees. Although the study companies have a few culturally indigenous HRM practices, and more culturally alien HRM practices, the managers in these companies have limited cultural understanding of those culturally alien HRM practices. This highlights the lack of 'emic' understanding of culturally alien HRM practices, and hence, the diversity management in these companies are just based on 'etic' approach. The adoption of an 'etic' approach in diversity management is more common that the 'emic' approach.

The participants have indicated that there are culturally indigenous HRM practices and culturally alien HRM practices in large companies, but this study failed to establish the relationship between culturally indigenous HRM practices and organisational effectiveness. The framework to understand indigenous and culturally alien HRM practices is found to be useful in extracting useful information from the stories narrated by the participants. Nevertheless, there are two interesting findings in this study regarding imitation of culturally alien HRM practices in the host country indigenous companies. Firstly, continuous exposure of culturally alien HRM practices by companies to their employees can make such values as part of any established value systems of employees in all three countries. Secondly, participants in this study believe that company's interests motivate culturally alien HRM practices, and it did not matter whether it matched with employees' value systems or not.

The research findings are limited because of the modest sample size and geographical area. Culture is important in understanding management behaviour and organisation system, but other factors like political and economical

structure, that were also important, but it was not included in this study. Despite the organisational stories narrated by the participants being a good source of qualitative understanding of culturally indigenous HRM practice, the findings lack generalisability, yet this area is a promising focus for further research. For instance, the present study can be replicated in countries in Asia Pacific region to document 'emic' understanding of company's HRM practices so as to reduce mindless imitation/adaptation of Western management practices. Future research might focus on culturally indigenous HRM practices in small, medium and large indigenous companies in a host country, to limit the effect of institutional transferability of HRM practices among multinational companies that was experienced in the present study. Such endeavours have the potential to highlight the impact of culturally indigenous HRM practices on organisational effectiveness, and aggrandise the importance of culturally indigenous HRM practices for companies in Asia Pacific region.

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