Comparative Analysis of Corporate Cross Cultural Management: A Survey of IT vs. Non IT Companies of Bangalore

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Abstract

The globalization of business which is considered as a 'second industrial revolution' is a trend that makes Cross cultural Human Resource management crucial for both IT and non IT which are the two most important industrial sectors in India contributing to the GDP and FOREX reserves today. The research focuses on finding the variables affecting cross cultural management and their inter sector analysis (IT vs. non IT) thereby indicating the best practices, gaps, similarities and dissimilarities in both. Till date the cross-cultural management has been studied and evaluated separately for IT and non IT companies but a comparative evaluation under the umbrella of both has not been undertaken. This study brings a paradigm shift in focus, from the concept of a traditional HRM approach in both the segments to a sector specific (IT & non IT) approach. The results indicate that factors like training, communication, cultural intelligence together have a strong positive influence on Cross cultural human resources management but at the same time the importance and efficacy of these vary across IT and non IT sector employees. These differences and the commonalities in both sectors should be considered before implementing a policy decision in both these sectors.

INTRODUCTION

In order to overcome the challenges and maximize the opportunities present in our diverse world, organizations have to develop an effective cross cultural Human resource management model to build and train leaders who are not only knowledgeable about their own business or industry, but are also culturally sensitive and well equipped to balance out the differences in culture, race and communities etc. Even when turnover is relatively low the unwillingness of an organization to step up the issue of valuing culture and diversity can lower the morale and productivity. Even a marginal decline in the productivity can put an organization in serious jeopardy of losing some portion of the competitive advantage (Loden, 1996). The statement draws support from a study (Mercer Report, 2012) which reports that 60% of the participating companies in India reported having diversity and inclusion strategy at the

global and regional level and around 14.5% had a diversity strategy at country level. Among the remaining 40% companies, who do not have diversity strategies in their organization, they are looking into establishing it soon .The environment within the organization determines the benefits realized out of cross cultural diversity. All employees should feel welcome and valued for what they bring to the organization. While each diversity adds a layer of complexity, it is the dynamic interaction among the various dimensions that influences the values and opportunities. The Cross cultural HRM becomes all the more relevant in Indian context owing to it's multidimensionality and globalization thrust. It begins with the impact of four aspects affecting culture- cultural intelligence, Diversity recognition, cross cultural communication and diversity training. This therefore necessitated the need for the specific research on the study. Also as the world gets flatter the culture will become a bigger issue. Travel,

technology, political changes, media advances, global brands and off shoring all bring us closer together. Global managers have realized that HRM strategies differ significantly across different countries with varying cross-cultural settings and that the strategies used to manage human resources in one country cannot be applied to another country (Budhwar and Debrah, 2001). Globalization has increased the pressure on HR managers to identify and adjust to cultural differences when doing business (Kanungo, 2006). There are a number of studies which show the changes in the workforce composition and with the passing of days, diversity is going to be an important issue for the HR manager in India for the following reasons:

1. Employees of organizations are becoming increasingly heterogeneous
2. A large number of women are joining the work-force.
3. Workforce mobility is increasing.
4. Generation Y in the workforce is increasing.
5. Ethnic minorities' proportion in the total workforce is increasing.
6. International careers and expatriates are becoming important.
7. Necessity of international experience is felt for career progression to many top-level managerial positions.

The future scenario in the Indian market (both IT & non-IT) is going to be difficult as profitability will be a concern and the survival of companies will be solely driven by business performance. Workplace diversity can be of tremendous strength and a real 'ace' in the hands of the management if used strategically.

The analysis and strategies highlighted in the study will illustrate the impact of diversity on business performance and revenue generation of companies. Companies with culturally diverse workforce and strategies to manage them effectively will be able to enhance their market penetration / market share and the overall

organizational efficiencies thereby both top-line and bottom-line of companies will have positive trends. Diverse people can capture diverse markets, diverse people can handle and understand the needs of diverse clients, diverse people bring in more innovation into the companies think tank, and diversity in supply chain reduces the manufacturing cost. Well-managed diverse teams outperform the homogeneous teams as they tend to be more creative and effective at problem solving. However, when diverse teams are not trained to leverage the uniqueness they bring and fail to avoid prejudice, biases then productivity suffers.

Also in the ever tightening employment market the companies need to differentiate themselves as employers of choice to ensure that they attract and retain the best talent. The organizations which create an inclusive and harmonious environment enhance their reputation with job seekers, allowing them to attract the best workers in the market. It helps the Industry (IT and non IT) in knowing the specific challenges in diversity performance that hinder this talent identification and retention. Findings of the report will be useful to all corporate policy decision makers for defining and redefining diversity management strategies in Indian sectors in the broad HR areas such as recruitment and selection, employee retention, change management, team building, improving organizational compliance, promotion, turnover rate as well as customer service and improving market share.

Post this research both IT and non IT companies and their employees will be able to look at the concept of diversity management from a broader perspective of valuing human differences, increased acceptance and tolerance, increased interpersonal awareness, enhanced intercultural relationships, prejudice reduction, reducing biases and stereotyping and reduced interpersonal conflicts and communication gaps. As a result of all this, the major benefits to employees will be that the motivational level of employees will be

elevated and a happy individual is a good human both at workplace and home. Their overall stress levels will come down thereby improving their health and general well being and allowing them to spend quality time with their families .(A good 9-5 office routine will result in the best 5-9 quality time spent). There will be a reduction in generational conflicts, workplace disputes or discrimination/bullying etc. of minorities which have a significant negative impact on employee morale and their work life balance. Employees will learn to communicate effectively and compassionately, strive to be non judgmental, be flexible in approach and learn how to adapt. They will try to relate meaningfully and tolerantly to those who are perceived to be different. The workplace application of diversity management brings in a plethora of advantages for employees spanning from mentoring, career planning, to performance rating equity analysis and compensation equity analysis.

In addition to this, the enhanced tolerance levels will sensitize them to handle complex issues in family life in an empathizing manner. Employees will feel included, valued and rewarded and will be more engaged and motivated. In a worldwide survey of 3 million employees on diversity it was found that creating an inclusive environment was a key driver in employee commitment.

Culture determines a person's beliefs, behaviors and values. Culture is an indirect reflection of our language, learning styles, religion, values, notions and ideas (Bodley, 1999). The term 'Human Resource Management' as a concept that significantly gets affected by values. Human Resource Management necessitates a direct link between human beings as a resource and their cultural backgrounds (Jackson, 2002). Organizational leaders and policy makers are required to know how human resources are managed in different parts of the world and how they should perceive and react to different cultural beliefs and practices (Budhwar and Sparrow, 2002). These principles, policies and practices of

managing people in organizations differ from people to people of diverse cultural backgrounds thereby necessitating the HRM to be carefully altered and aligned to match the organizational objectives (Society for Human Resource Management, 2007). The importance and relevance of these models becomes even more questionable in developing countries as these models have been presented by scholars from developed countries. There is an urgent need of the hour to focus on understanding the cultural issues faced by organizations in developing countries, like India which will aid in analyzing the validity of these models (Budhwar and Debrah, 2001). The scope of business turning global has transformed the role of human resources making it much more valued than factors such as technology, research and development. This cross-cultural scope of human resource management has gained a new definition and concept labeled International Human Resource Management (Teagarden and Glinow, 1997).The conventional HR practices tend to promote and perpetuate homogeneity in the workforce as a result of the A-S-A (attraction-selection-attrition) cycle (Schneider, 1987). Typically, individuals are attracted to organizations that appear to have members with values similar to their own. In turn, organizations select new members that are similar to their existing members because their hiring continues to make everyone feel comfortable (García et al. 2008). Employees who do not fit in well with the dominant organizational culture eventually leave or are fired; creating a selective attrition process that supports and maintains a workforce that is homogeneous. In the long run, this trend is unhealthy for organizations in that it limits their talent pool, their long-term growth and renewal, and the ability to trigger a change management. Based on Hofstede's model of work values (Hofstede, 1980), cultural comparison is explained based on many factors such as individuals, group and masculinity, femininity issues. This approach aims at identifying the obstacles that limit the progress of employees from diverse backgrounds and that block collaboration among groups in the

organization.

Cross-cultural misunderstandings can be seen among people working across MNC's with diverse cultural backgrounds which tend to perpetuate cross-cultural conflicts, low morale stress, and poor employee performance (Milliman, 2002; Higgs, 1996; Monks et al. 2001). Budhwar and Debrah (2001) conducted a questionnaire survey between January and April 1995 to examine the influence of national culture on personnel specialists. The companies included six industries (food processing, steel, textiles, pharmaceuticals, plastics and footwear) in the manufacturing sector in India. In addition, a large number of Indian engineers and managers have relocated abroad to handle important portfolios thereby increasing the cross-cultural interaction and need (Munuswamy, 2008).

The multicultural organization paradigm

Cox (1994, 2001) presents a diversity management paradigm that classifies organisations to three types: the monolithic type, the plural type, and the multicultural type. Diversity management, according to this paradigm, should strive to create multicultural organizations wherein employees of various all socio-cultural backgrounds can contribute to and maximise their potential.

The monolithic organization: This is an organization that is homogeneous both in terms of demography and culture. Most Chinese companies are monolithic from a cultural and ethnic perspective, as the overwhelming majority of their employees are ethnically   Chinese. These organizations have a culture that will perpetuate the homogeneity of its workforce through its hiring and promotion practices. There will be an expectation that members of diverse groups will assimilate into the culture of the majority with minimal degrees of structural and formal integration.

The plural organization: This is an organization that has a heterogeneous work- force, relative to the monolithic organization, and tries to conform to laws and policies that demand and expect equality at workplace. It will take active steps to prevent discrimination in the workplace such as audits that assure equality of compensation systems and manager training on equal opportunity and gender issues. Examples of plural organizations include companies in which members of minority groups constitute a sizable proportion of the workforce but only a small percent of the managerial positions.

The multicultural organization: This is more an ideal than an actual type because very rarely do companies achieve this level of integration. However, Cox (1994, 2001) indicates that it is important to understand this type and use it to create a vision for effective diversity management. A culture that fosters and values cultural difference characterizes the multicultural organization. This type of organisation is fully integrated both in structure and domain, is unbiased and has reduced inter group conflict.

OBJECTIVES

1. To enumerate the factors influencing cross cultural HRM practices on organizational performance of IT and non IT Companies (Substantiated by Hypotheses 1)
2. To study and Analyze the opinion of both sectors on diversity training and effective communication on cross cultural HRM (Hypothesis 2 and 3)
3. To study the influence of diversity management in improving the productivity in IT and non IT sectors (Hypothesis 4)
4. To analyse the effect of cross cultural practices on overseas negotiation success rates for IT and non IT (Hypothesis 5)
5. To analyse the effect of culture on the values and behaviour of employees for IT and non IT (Hypothesis 6)

RESEARCH METHODOLOGY

Population, Sample unit, Sample size:

A total of 5 industries (Manufacturing, IT, Pharma, ITES, R&D) were contacted with 20 senior level managers from each to find out their opinion on Cross cultural human resources management practices in India making a total sample size of 100 .

Sampling technique & Data Type:

Non-probability convenient sampling method was used to collect primary data from the respondents.

Data Collection tools:

Structured questionnaire was prepared on the basis of Literature review for the collection of primary data consisting of questions on a scale of 5 . The respondents were the senior managers from these companies who had to choose one value at the expense of other in a forced choice method. The questionnaire analyzed the thinking of personnel specialists based on the following aspects: Diversity, communication, cultural intelligence and overseas assignments. The companies chosen operated in four industries (Manufacturing, IT, Pharma, ITES, R&D) in India with an employee base of 200 or more.

Two approaches are used to estimate the factors namely;

1. A five (5) point likert scale method which ranges from Strongly Disagree (1) to Strongly Agree (5) for preparation of questionnaire.
2. Econometric model by taking the *Dependent and Independent Variables* **:** Dependent variable was Cross cultural HRM while Diversity recognition, Cultural intelligence, cross-cultural communication, training and development, overseas negotiations are included as independent variables.

Data Analysis tools:

1. The collected data is coded and tabulated
2. SPSS software used for further analysis of data.
3. Reliability of the data collected is assessed by applying the Cronbach's Alpha method.
4. Factor analysis, t test, Mann Whitney U test.
5. Correlation and regression analysis

STATISTICAL ANALYSIS & RESULTS

I. Reliability analysis of questionnaire:

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.730	.713	12

Cronbach's alpha for the questionnaire was 0.63 initially when all 14 questions were taken into consideration. Eventually two questions were excluded and subjected to analysis which resulted in a value above 70 % showing reliability of scale measurement. The measure shows that remaining 12 variables are internally consistent.

II. Factor analysis:

The factor analysis of the employee opinion /questionnaire on Cross cultural HRM was done to find out the variables which have a strong bearing and the results indicate a strong influence of the below four factors out of the various factors constituting Cross cultural human resources management ;

1. Cultural Intelligence
2. Diversity training

3. Employee Communication
4. Overseas negotiation

These results are supported by the various SPSS outputs shown in Table 2 Table 5 .

The KMO test (Refer table 2) showed a value of 0.279 indicating the utility of factor analysis just on the margins.

The factors with eigen values greater than 1 are accepted.(Table 3)

The screen plot (Table 4) also indicates the point of inflexion after 4 above factors.

Finally the rotated component matrix (Table5) shows the factors having value >0.5 which are the above 4 factors.

**Table 2: KMO and Bartlett's Test for taking the crucial factors in questionnaire**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.279
Bartlett's Test of Sphericity	Approx. Chi-Square	451.578
	df	66
	Sig.	.000

Table 3: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loading			Rotation Sums of Squared Loading		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.384	28.200	28.200	3.384	28.200	28.200	2.180	18.163	18.163
2	1.712	14.263	42.464	1.712	14.263	42.464	1.988	16.570	34.732
3	1.480	12.335	54.799	1.480	12.335	54.799	1.730	14.413	49.145
4	1.207	10.060	64.859	1.207	10.060	64.859	1.521	12.671	61.817
5	1.056	8.796	73.655	1.056	8.796	73.655	1.421	11.838	73.655
6	.892	7.430	81.085						
7	.701	5.843	86.928						
8	.509	4.245	91.173						
9	.457	3.805	94.978						
10	.322	2.680	97.658						
11	.237	1.978	99.636						
12	044	364	100 000						

Extraction Method: Principal Component Analysis.

Table 4: Screen Plot
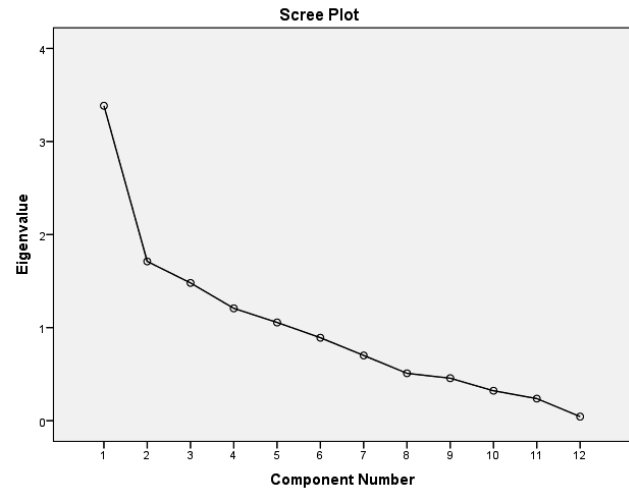
Table 5: Rotated Component Matrix

	Component				
	1	2	3	4	5
DIV_TRNG	-.052	.060	.033	.099	.893
TALENT	.468	.582	.328	.078	.245
DIV_RECOGNITION	-.055	.203	.492	.145	-.647
CULTURAL_TRNG	.113	-.044	.811	.278	.031
CULTURAL_ADAPTION	.118	.150	.710	-.304	-.165
CULTURAL_NORMS	.271	.668	.302	-.116	-.133
COMMUNICATION_GAFFES	-.013	-.143	.088	.873	.046
COMMUNICATION_GESTURS	-.012	.804	-.082	.001	-.014
COMMUNICATION_FEEDBACK	.123	.597	-.084	.724	-.040
OVERSEASASSIGN_LANGUAGE	.684	.320	.280	.017	.208
OVERSEASASSIGN_NEGOTIATION	.873	.094	.145	-.082	-.229
CULbelief	.780	.006	-.068	.082	.014

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

III. Hypotheses Testing

Independent variables:

The independent variables of interest are the Cultural Intelligence, overseas negotiation, Employee communication and Training and development. Managers of each company were asked about their responses for the following four aspects.

(1) *Cultural Intelligence*: Three questions asked whether having factual and reliable knowledge about cultural norms /practices of diverse groups, training and adapting oneself helps in managing them effectively and efficiently. All the questions were asked using five -point Likert scale.

(2) *Overseas negotiation*: Three questions asked whether a pre research on the cultural rules of that country and preparing to follow these, ensure the chances of success. All the questions were asked using five -point Likert scale.

(3) *Employee communication*: Three questions asked whether cross cultural communication can be enhanced by effectively adding gestures and body language along with words and whether it is necessary to feedback to members of diverse groups. All the questions were asked using five - point Likert scale.

(4) *Training and development*: Three questions asked whether Diversity training to managers handling diverse teams is essential now days in an organization. All the questions were asked using five -point Likert scale.

Dependent Variable:

The dependent variable is Cross cultural Human resource management, where;
Cross cultural human resources management= function (CI+EC +ON+TD)
Where,
CI=Cultural intelligence
EC=Employee communication
ON=Overseas negotiation
TD=Training & Development

Hypothesis 1:

H1: There is a significant relationship between the cross cultural HRM and Cultural Intelligence, overseas negotiation, Employee communication and Training and development.

The hypothesis examines the effect of all the above independent variables on cross cultural HRM .The result shows a strong R Value for IT as compared to non IT companies. For IT organizations the dependency of Cross cultural human resources management on the above variables is stronger as compared to non IT**.** The linear regression

established that Cultural Intelligence, overseas negotiation, Employee communication and Training and development statistically significantly predict Cross cultural Human resource management. Thus a regression model is built as follows:

Cross cultural human resources management for IT:

$4.6 + 0.5\,(CI) + 1.\,(EC) + 0.2\,(ON) + 0.3(TD)$

Cross cultural human resources management for Non IT:

$1.953 + 0.577\,(CI) + 0.28\,(EC) + 0.31\,(ON) + 0.157(TD)$

This means that for IT for every 100% improvement in Cross cultural human resources management, Cultural intelligence contributes 50% and employee communication another 100%. This means that for non IT for every 100% improvement in Cross cultural human resources management, Cultural intelligence also contributes 50% and overseas negotiation another 31% with communication taking a backseat.

The ANOVA analysis (Table 8) indicates that this regression model is a significant fit of the data overall .The *F*-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable $p < .005$ (i.e., the regression model is a good fit of the data for both IT and non IT population).

These results are supported by the various SPSS outputs shown in Table 6 8.

Tables and Interpretations

Table 6: Model Summary

DEPT	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IT	1	1.000 [a]	1.000	1.000	.00000
NONIT	1	.812 [b]	.660	.570	.45799

a. Predictors: (Constant), CULTURAL_TRNG, COMMUNICATION_FEEDBACK, DIV_TRNG, COMMUNICATION_GAFFES, CULTURAL_ADAPTION, DIV_RECOGNITION, OVERSEASASSIGN_LANGUAGE

b. Predictors: (Constant), CULTURAL_TRNG, COMMUNICATION_GESTURS, OVERSEASASSIGN_LANGUAGE, DIV_TRNG, COMMUNICATION_FEEDBACK, CULTURAL_ADAPTION, COMMUNICATION_GAFFES, DIV_RECOGNITION, OVERSEASASSIGN_NEGOTIATION

Table 7: Coefficients

DEPT	Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	Upper Bound
IT	1	(Constant)	4.600	.000		163490526.080	.000	4.600	4.600
		COMMUNICATION_GAFFES	-.200	.000	-.200	-49687417.469	.000	-.200	-.200
		COMMUNICATION_FEEDBACK	1.100	.000	1.347	311263983.219	.000	1.100	1.100
		OVERSEASASSIGN_LANGUAGE	.200	.000	.187	30231024.832	.000	.200	.200
		CULTURAL_ADAPTION	.500	.000	.606	172122263.105	.000	.500	.500
		DIV_TRNG	-1.200	.000	-.822	-143214379.679	.000	-1.200	-1.200
		DIV_RECOGNITION	-.700	.000	-.857	-165499677.898	.000	-.700	-.700
		CULTURAL_TRNG	.300	.000	.254	51722955.815	.000	.300	.300
NONIT	1	(Constant)	1.953	.969		2.014	.052	-.018	3.923
		COMMUNICATION_GAFFES	-.506	.137	-.494	-3.694	.001	-.785	-.228
		COMMUNICATION_FEEDBACK	.288	.123	.314	2.342	.025	.038	.537
		OVERSEASASSIGN_LANGUAGE	.316	.124	.397	2.537	.016	.063	.569
		CULTURAL_ADAPTION	.577	.186	.485	3.110	.004	.200	.954
		DIV_TRNG	-.130	.123	-.114	-1.052	.300	-.380	.121
		DIV_RECOGNITION	-.069	.132	-.072	-.519	.607	-.338	.200
		CULTURAL_TRNG	.157	.114	.197	1.379	.177	-.074	.388
		COMMUNICATION_GESTURS	-.204	.116	-.200	-1.756	.088	-.440	.032
		OVERSEASASSIGN_NEGOTIATION	.089	.151	.112	.593	.557	-.217	.395

a. Dependent Variable CROSSCULTURAL_MGT

Table 8: ANOVA[a]

DEPT		Model	Sum of Squares	df	Mean Square	F	Sig.
IT	1	Regression	24.000	7	3.429	.	[b]
		Residual	.000	40	.000		
		Total	24.000	47			
NONIT	1	Regression	13.846	9	1.538	7.334	.000[c]
		Residual	7.132	34	.210		
		Total	20.977	43			

a. Dependent Variable: CROSSCULTURAL_MGT

b. Predictors: (Constant), CULTURAL_TRNG, COMMUNICATION_FEEDBACK, DIV_TRNG, COMMUNICATION_GAFFES, CULTURAL_ADAPTION, DIV_RECOGNITION, OVERSEASASSIGN_LANGUAGE

c. Predictors: (Constant), CULTURAL_TRNG, COMMUNICATION_GESTURS, OVERSEASASSIGN_LANGUAGE, DIV_TRNG, COMMUNICATION_FEEDBACK, CULTURAL_ADAPTION, COMMUNICATION_GAFFES, DIV_RECOGNITION, OVERSEASASSIGN_NEGOTIATION

Hypothesis 2

H1: Diversity training to managers handling diverse teams is essential now days in any organization

This study found that Diversity training to managers handling diverse teams has statistically significantly lower mean rank for non IT (42.61), $t(43) = 45.8$, p = 0.000 compared to IT (55.11), $t(53) = 66.743$, p-0.00 . As the t test indicates that the significant value is <0.01 hence the hypothesis that Diversity training is essential these days is accepted. The Mann Whitney U test in the study found that there is a significant difference in the opinion of IT and non IT group with the IT group ($t(53) = 66.7$, $p = 0.000$) more in favor of Diversity training to managers handling diverse teams as against non IT organizations ($t(43) = 45.8$, $p = 0.000$)

These results are supported by the various SPSS outputs shown in Table 9 – 10.

Tables and Interpretations

Table 9: Ranks

	DEPT	N	Mean Rank	Sum of Ranks
DIV_TRNG	IT	54	55.11	2976.00
	NONIT	44	42.61	1875.00
	Total	98		

One-Sample Test

DEPT		Test Value = 0					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
IT	DIV_TRNG	66.743	53	.000	4.55556	4.4187	4.6925
NONIT	DIV_TRNG	45.859	43	.000	4.25000	4.0631	4.4369

Table 10: Test Statistics[a]

	DIV_TRNG
Mann -Whitney U	885.000
Wilcoxon W	1875.000
Z	-2.453
Asymp. Sig. (2-tailed)	.014

a. Grouping Variable: DEPT

Hypothesis 3

H1: When dealing with people from different cultures' communication gaffes are major issues

The results show significance level below 0.01 implying that null hypothesis that Cross cultural communication cannot be enhanced by effectively adding gestures and body language along with words in IT and non IT sectors is rejected. Also there is no   statistically significantly lower mean difference for in IT compared to non IT .From this data it can be concluded that the response/opinion of the IT and non IT group is similar and both hold communication equally important. These results are supported by the various SPSS outputs shown in Table 11 – 12.

Tables and interpretations

Table 11: One-Sample Test

DEPT		Test Value = 0					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
IT	COMMUNICATION_GAFFES	38.781	47	.000	4.00000	3.7925	4.2075
NONIT	COMMUNICATION_GAFFES	41.006	47	.000	4.04167	3.8434	4.2400

One-Sample Statistics

Ranks

DEPT	N		Mean	Std. Deviation	Std. Error Mean
COMMUNICATION_GAFFES	48		4.0000	.71459	.10314
COMMUNICATION_GAFFES	48		4.0417	.68287	.09856

	DEPT	N	Mean Rank	Sum of Ranks
COMMUNICATION_GAFFES	IT	48	47.25	2268.00
	NONIT	48	49.75	2388.00
	Total	96		

Tabel:12 Test Statistics[a]

	COMMUNICATION_GAFFES Test Statistics[a]
Mann -Whitney U	1092.000
Wilcoxon W	2268.000
Z	-.496
Asymp. Sig. (2-tailed)	.620

a. Grouping Variable: DEPT

Hypothesis 4

H1: Involvement of all diversity groups in crucial decision making and problem solving helps to improve the productivity

The significance level below 0.01 for both IT and non IT in implies a statistical confidence of above 99%. and there is   statistically significantly lower mean difference for IT (3.44) ,t(53) = 30.158, p = 0.000 compared to IT   (3.97), t(46) = 45 ,p=0.00 This implies that   null hypothesis that Involvement of all diversity groups in crucial decision making and problem solving does not help to improve the productivity   is rejected and the alternate is accepted.

From Table 14 it can be concluded that the opinion of the non IT group is statistically significantly higher than the IT group (U = 768, p = .000) with the   non IT population   more in favor of involvement of all diversity groups in crucial decision making and problem solving

These results are supported by the various SPSS outputs shown in Table 13 –14

Tables and interpretations

Table 13: One-Sample Test

One-Sample Test

DEPT		Test Value = 0					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
IT	DIV_RECOGNITION	30.158	53	.000	3.44444	3.2154	3.6735
NONIT	DIV_RECOGNITION	36.216	45	.000	3.97826	3.7570	4.1995

One-Sample Statistics

	DEPT	N	Mean	Std. Deviation	Std. Error Mean
IT	DIV_RECOGNITION	54	3.4444	.83929	.11421
NONIT	DIV_RECOGNITION	46	3.9783	.74503	.10985

Table 14

Test Statistics[a]

	DIV_RECOGNITION
Mann -Whitney U	768.000
Wilcoxon W	2253.000
Z	-3.529
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: DEPT

Hypothesis 5

H1: In an overseas negotiation knowledge of Culture does enhance the chances of success.

There is statistically significantly lower mean difference for IT (3.33), t(53) = 29.7, p = 0.000 compared to non IT (3.9), t(47) = 31, p=0.00 . The significance level below 0.01 implies that null hypothesis i.e. in overseas negotiation knowledge of Culture does not ensure success for IT and non IT sectors, is rejected. From table 16 it can be concluded that the test is significant and hence the response/opinion of the IT and non IT group is

dissimilar with the non IT opinion more in favor of cultural pre research before indulging into negotiation abroad. These results are supported by the various SPSS outputs shown in Table 15 –1**6**

Tables and interpretations

Table 15: One-Sample Test

DEPT		Test Value = 0					
		t	df	Sig. (2-tailed)	Mean Difference	95%Confidence Interval of the Difference	
						Lower	Upper
IT	OVERSEASASSIGN NEGOTIATION	29.721	53	.000	3.33333	3.1084	3.5583
NONIT	OVERSEASASSIGN NEGOTIATION	31.150	47	.000	3.91667	3.6637	4.1696

Table 16: Test Statistics[a]

Test Statistics[a]

	OVERSEASASSIGN_NEGOTIATION
Mann -Whitney U	792.000
Wilcoxon W	2277.000
Z	-3.566
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: DEPT

Hypothesis 6

H1: Culture determines a person's beliefs, behaviors and values

There is statistically significantly lower mean difference for IT (3.33), t(53) = 36.40, p = 0.000 compared to non IT (4.2), t(45) = 45, p=0.00 . The significance level below 0.01 implies that null hypothesis i.e. Culture does not determine a person's beliefs, behaviors and values in IT and non IT sectors, is rejected.

It can be concluded that the response/opinion of the IT and non IT group is dissimilar with the non IT opinion more in favor of culture determining the behavior and attitudes. These results are supported by the various SPSS outputs shown in Table 17 –18

Tables and interpretations

Table-17: One-Sample Test

One-Sample Test

DEPT		Test Value = 0					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
IT	CULbelief	36.401	53	.000	3.33333	3.1497	3.5170
NONIT	CULbelief	45.000	45	.000	4.23913	4.0494	4.4289

Table 18: Test Statistics[a]

Test Statistics[a]

	CULbelief
Mann -Whitney U	480.000
Wilcoxon W	1965.000
Z	-5.704
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: DEPT

FINDINGS AND RECOMMENDATIONS OF THE STUDY

1. This study concludes that various associated factors like Training , communication, cultural intelligence etc. together though have a strong positive relationship with Cross cultural human resources management but at the same time these vary for both the IT and non IT sectors .

Recommendations:

- Cultural intelligence and sensitivity has a significant proportional relationship with corporate performance in IT and non IT companies

- An effective and structured training and development programme on culture and diversity if followed will significantly moderate the inverse relationship between cultural issues and corporate performance.

- A formal reporting and enhanced employee communication and feedback will significantly moderate the inverse relationship between communication gaffes and employee corporate performance.

- The need for both IT and non IT organisations to embark on cross cultural human resource management for increasing the overseas negotiation success rate has become obvious with a strong correlation between the two.

2. This study indicates a differential approach of IT and non IT sectors towards cross-cultural HRM and diversity management aspects. The IT sector employees lay more importance to the following factors affecting the cross cultural HRM as compared to their non IT sector counterparts;

- Adaptability to a new cultural setting (Cultural Intelligence)

- Training to managers handling diverse teams (Training and development)

- An Individual's talent more important than demographic group (Equal treatment for all)

Whereas the non IT sector employees lay more significance to the following factors affecting the cross cultural HRM as compared to their IT sector counterparts;

- Diversity recognition

- Cultural influence on behaviour

- Pre research on culture before overseas negotiation

The factors wherein both the sectors opine similarly and consider equally important are;

- Cross cultural Communication

- Giving constructive feedback to employees of diverse groups

Recommendations:

Cross cultural HRM if followed differentially for both these sectors will become a progressively more critical factor in the broad HRM and diversity management. The differences and the commonalities in both sectors should be considered before implementing a policy decision.

3. The empirical results show that diversity management plays an important role in increasing the in improving the productivity and performance of both IT and non IT companies

Recommendations:

Based on the findings and conclusions of this study, it is recommended that diversity should be accommodated in the company's policies to ensure that employees are not secluded by cultural and diversity issues. Diversity management intervention strategies and compulsory training should be done for all employees. The policies of both the IT and non IT sector should be hinged upon this. Senior Management level employees should take the lead and demonstrate high commitment to the above.

LIMITATIONS OF THE STUDY

● To corroborate the above findings of the study we have tried the factor analysis though test value for carrying out factor analysis was less than the cut off value of 0.5. But the factors that emerged after this analysis reiterated the fact these factors per se strongly influence the development of cross cultural human resource management, thereby validating the assumptions.

● The area of study is an academic one and hence restricted by time, cost and geographical coverage and sample size.

● The suggestions may require policy decisions on the part of the top management while

implementing the same.

● The findings and suggestions are applicable only to organizations of the same size and like.

CONCLUSION

Based on the findings, cross cultural human resource management is a vital tool for employees for performance enhancement and increase in organizational productivity. The areas where there is a dire need to focus upon by the management has surfaced out in both sectors. This will lead to shredding of some myths or perceptions about the cultural aspects of HRM in these sectors. This is a big gap in the current scenario as both IT and non IT sectors are imbibing each other business models and best corporate HR practices. The non IT companies which were earlier structured largely around the old homogeneous model are looking out for the flexi culture of non IT and also the relatively stable business models of non IT companies are embraced by IT The results of the comparative analysis study will lead to cross fertilization of ideas as the best practices for IT companies can be imbibed by and applied to the non IT companies and vice versa. Cross cultural human resources management is a strategy and practice which can bring more benefits to the IT and non IT organizations.

FUTURE SCOPE

Researchers can increase their scope of work to comprehend the advantages in implementing Cross cultural human resources management. The importance of incorporating the above factors into organizational roles is imperative and the entire process of direction will take place at senior management levels accompanied by competence and willingness. Cross cultural HRM development will definitely bring in some desirable changes in the behaviour and productivity of the employees

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