

## **CULTURAL PERSPECTIVES ON COMPARATIVE HRM**

**B. Sebastian Reiche, Yih-teen Lee & Javier Quintanilla**

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B. Sebastian Reiche, PhD  
Assistant Professor  
IESE Business School  
Department of Managing People in Organizations  
Ave. Pearson, 21  
Barcelona 08034, Spain  
Tel: +34 93 602 4491  
Fax: +34 93 253 4343  
E-mail: sreiche@iese.edu

# **Cultural Perspectives on Comparative HRM**

**B. Sebastian Reiche, Yih-teen Lee & Javier Quintanilla, IESE Business School**

## **Introduction**

Over the past few decades, increased globalization of business transactions, the emergence of new markets such as the BRIC countries (Brazil, Russia, India and China) as well as more intense competition among organizations at the domestic and international level alike have been associated with an increased interest in and need for comparative human resource management (HRM) studies (Budhwar & Sparrow, 2002a). As a result, a growing number of conceptual (Aycan, 2005; Edwards & Kuruvilla, 2005) and empirical studies (Bae, Chen, & Lawler, 1998; Budhwar & Sparrow, 2002b; Easterby-Smith, Malina, & Yuan, 1995) have addressed the configuration of HRM in different national contexts.

The literature has developed different frameworks to analyse and explain how historical evolution, social institutions and different national cultures can influence firm behaviour in general and HRM in particular. One line of inquiry builds on path dependency arguments and claims that a firm's historical development shapes its extant organizational features such as the configuration of assets and capabilities, the dispersal of responsibilities, the prevailing management style and organizational values (Bartlett & Ghoshal, 1998). This administrative heritage leads an organization to adopt specific structures and behaviours. A second strand of literature takes an institutional perspective and investigates the social and institutional determinants that underlie the logic of organizing business enterprises and their competitive behaviour in different national contexts. A systematic emphasis for understanding the permanent

interaction between firms and markets, on the one hand, and other social-economic institutions, on the other, has been conceptualised in terms of *national industrial orders* (Lane, 1994) and *national business systems* (Whitley, 1991, 1992).

In contrast, the cultural perspective has concentrated its attention on the cultural distinctiveness of practices, beliefs and values shared by a community. Culture and values are associated with the national culture of a country as boundaries that allow interaction and socialization within them. Scholars have analysed the influence of these national cultural values, attitudes and behaviours on business and management styles (Hofstede, 1980; Laurent, 1986; Trompenaars & Hampden-Turner, 1997). At the same time, the movement of people across national borders and the preservation of particular groups with specific idiosyncratic customs, together with differences in social and economic experiences, highlights that subcultures can co-exist in many countries.

In this chapter, we focus on the cultural approaches to comparative HRM, examining how cultural values and norms shape managerial choices across national contexts and how these may, in turn, explain differences in HRM. In a first step, we review conceptualizations of culture and consider the main cultural frameworks applied in comparative research on HRM. We also explain the sources for these national effects and describe mechanisms through which culture influences the design of HRM. In a second step, we review specific areas of HRM that are subject to the influence of culture, placing a particular focus on four key HRM functions. In a third step, we concentrate on multinational companies (MNCs) as carriers of culture that promote the flow and adaptation of culturally-imbued HRM practices. Finally, we reflect critically on the limitations of the cultural perspectives on comparative HRM and we conclude with directions for future research.

## **The Role of Culture in Human Resource Management**

The study of the effect of culture on the design, implementation and experience of HRM policies and practices is not only limited to national cultural differences but also encompasses individual (Stone, Stone-Romero, & Lukaszewski, 2007) and organizational (Aycan et al., 2000) cultural variation. However, in this chapter we will focus on the role of national cultural differences. In the following sections, we will first define the concept of culture and review major cultural frameworks that have been adopted to examine national cultural differences in HRM. Subsequently, we discuss sources and mechanisms through which culture is thought to impact on the design and implementation of HRM policies and practices.

### ***Defining culture***

Implicit to the concept of cultural effect is the notion that societies are considered to vary in terms of the arrangements which their institutions and organisations are composed of, and that these variations reflect their distinctive traditions, values, attitudes and historical experiences. In this regard, culture can be defined as the “crystallisation of history in the thinking, feeling and acting of the present generation” (Hofstede, 1993: 5). Bartlett and Ghoshal (1998) also suggest that the history, infrastructure, resources and culture of a nation state permeate all aspects of life within a given country, including the behaviour of managers in its national organizations. Accordingly, traditional national cultural values affect managerial processes and organizational behaviours, which, in turn, affect economic performance. It has been common to conceptualize and measure culture through various value dimensions (Hofstede, 1980; Schwartz, 1994; Trompenaars & Hampden-Turner, 1997). Although reducing the concept of culture to a limited number of value dimensions is not without criticism, this approach allows for comparability across cultural studies and is able to provide valid measures for a highly elusive construct.

### *Cultural frameworks in comparative HRM*

An important strand of the cultural perspective is based on Hofstede's (1980) conceptualization of four distinct cultural value dimensions. The four dimensions he postulates in his examination of dominant value patterns across countries include power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity. Hofstede suggests that cultural patterns are rooted in the value systems of substantial groupings of the population and that they stabilize over long periods in history. These notions are useful in analysing and understanding managerial behaviour and reactions. Specifically, as cultural differences are embedded in managers' frames of reference and ways of thinking they reinforce particular values and guide managerial actions and choices. In short, all national cultural factors can be regarded as potential influences on how managers make decisions and perform their roles. Nevertheless, Hofstede has been highly criticized (d'Iribarne, 1991, McSweeney, 2002) not only for the limited number of dimensions, which fail to capture the richness of national environments, and his insistence that national cultural features persist over time but also because his dimensions essentially are statistical constructs based on clusters of responses without in-depth understanding of the underlying processes.

Another important contribution to the understanding of cultural differences concentrates its attention on the difference between low context and high context societies (Hall, 1976). Hall describes context as the information that surrounds an event. In high context societies, the situation, the external environment and non-verbal cues are crucial in the communication process. Examples of high context cultures are Japan as well as Arab and Southern European societies, where the meaning of communication is mainly derived from paralanguage, facial expressions, setting, and timing (Boyacigiller & Adler, 1991). Low context cultures, in contrast, appreciate

more clear, explicit and written forms of communication. Anglo-Saxon and Northern European countries are examples of low context societies. The implications of these different cultural contexts for managerial attitudes and organizational behaviour are evident. However, this approach fits much better with a generic concept of culture, in the sense of a broad cultural community such as Arabs, Latins or Chinese, than with the constrained boundaries of a nation state, where individual and organizational diversity allows for a pluralistic coexistence of both low and high context.

The work of Kluckhohn and Strodtbeck (1961) offers another useful framework to understand cultural differences. Viewing culture as a set of assumptions and deep-level values regarding relationships among humans and between humans and their environments, Kluckhohn and Strodtbeck proposed four basic value orientations, which can be further divided into sub-dimensions to capture the complex cultural variations across societies. The major orientations in their model are *human nature* (evil, mixed, good), *man-nature relationship* (subjugation, harmony, dominant), *social relation with people* (hierarchical, collateral, individual), *human activity* (being, becoming, doing), and *time sense* (past, present, future). The cultural orientation framework has been adopted by researchers to explain variations of HRM practices across countries (e.g., Aycan et al., 2007; Nyambegera et al., 2000; Sparrow & Wu, 1998). However, this framework has been applied less frequently to comparative HRM research than that of Hofstede, due to its complexity and the existence of certain overlaps between the two models.

Building on the framework of Hofstede (1980) and Kluckhohn and Strodtbeck (1961), the recent development of the GLOBE project (House et al., 2004) offers a rather comprehensive nine-dimension framework to explain cultural similarities and differences. Moreover, by further differentiating each value into “as it is” and “as it should be”, this framework allows researchers to investigate cultural variations and their impacts on managerial practices in a more refined way.

As this framework starts to be integrated into research practice and establishes an accumulated body of knowledge, its future application in cross-cultural research promises to shed additional light on exploring differences and similarities in HRM across countries.

Finally, mainly drawing on the work of Parsons and Shils (1951), Trompenaars and Hampden-Turner's (1997) framework of value dilemmas also enjoys a high popularity in the teaching of cultural differences. However, its adaptation in scientific research remains limited due to concerns of conceptual and methodological ambiguities.

More recent research has added additional cultural dimensions for studying the effect of culture on the design and implementation of HRM policies and practices (Aycan et al., 2000; Aycan, Kanungo, & Sinha, 1999). For example, the dimension of paternalism concerns the extent to which a society encourages and accepts that individuals with authority provide care, guidance and protection to their subordinates. Subordinates in paternalistic societies, in turn, are expected to show loyalty and deference to their superiors. In contrast, fatalism refers to the belief of societal members that the outcomes of their actions are not fully controllable.

### ***Sources and mechanisms of cultural influences on HRM***

In the process of understanding how national cultural features influence organizations in general and HRM in particular, scholars highlight the fact that the cultural environment is not external to organizations but rather permeates them. Crozier (1963: 307), for example, argues that the mechanisms of social control “are closely related to the values and patterns of social relations”, as manifested within organizations. Similarly, Scott (1983: 16) points out that “the beliefs, norms, rules and understandings are not just ‘out there’ but additionally ‘in here’. Participants, clients, constituents all participate in and are carriers of the culture”. This means that organizations and environmental culture interpenetrate. This process of interpenetration

highlights several sources of cultural influences on the design and implementation of HRM policies and practices.

First, national culture is thought to shape its members' basic assumptions (Hofstede, 1983; Kluckhohn & Strodtbeck, 1961). Individuals that take on managerial positions in a particular culture are thus socialized along similar values and beliefs (Van Maanen & Schein, 1979) and will form similar views about the managerial role itself as well as the relevance of and choice between alternative organizational practices.

Second, the enduring character of culture helps continuously to socialize new generations of members and reinforce the predominant cultural values and norms (Child & Kiesser, 1979) which, in turn, influence the preference individuals have for particular HRM policies and practices (Sparrow & Wu, 1998) and the degree to which these policies and practices will function effectively within a given cultural system. Accordingly, while the 'what' aspects of HRM (which instruments to adopt in order to achieve HRM outcomes) may be universal across cultures, the 'how' question that determines the particular configuration and design of a specific instrument and the extent to which a desired outcome is reached will be culture-specific (Tayeb, 1995).

Third, according to social cognition theory, individual cognition is strongly influenced by one's cultural background (Abramson, Keating, & Lane, 1996; Bandura, 2001). Specifically, culture may influence the way in which individuals "scan, select, interpret and validate information from the environment in order to identify, prioritize and categorize issues" (Budhwar & Sparrow, 2002b: 603). In other words, culture is a powerful determinant in how human performance problems are perceived and how their solutions in the form of employee development interventions are created, implemented and evaluated. As a lens, cultural frames colour both the design and implementation of HRM in that specific socio-cultural context. In

particular, cultural values and norms will shape the way in which people assess justice rules and criteria (Fischer, 2008; Morris, Leung, Ames, & Lickel, 1999). Because ensuring fairness/justice is one of the key concerns of HRM, the culture-bounded appreciation of justice will, in turn, influence how key HRM practices such as recruitment, appraisal, compensation, and promotion are designed and implemented in a specific society.

Fourth, culture may be considered to cast a certain influence on creating the social institutions in a society, which subsequently provide value frameworks for individuals in these socio-cultural settings to learn which behaviours and opinions are rewarded and which are punished. For example, cultures may encompass idiosyncratic social elites or pressure groups (Keesing, 1974). The existence of such groups may make the implementation of specific HRM policies and practices politically and socially unacceptable (Budhwar & Sparrow, 2002a). Although it is generally recognized that the relationship between culture and institutions is reciprocal and that no clear consensus has been reached about which should precede which, the influence of culture on HRM through its impact on institutions is also considered as an important mechanism.

Existing research has also considered the level at which HRM is affected by culture. In general, scholars agree that whereas HRM philosophies may entail culturally universal traits, it is the specific HRM practices that are culture-bound and thus show variation across cultures (Teagarden & Von Glinow, 1997). For example, in their study of British and Indian firms Budhwar and Sparrow (2002b) show that even despite a convergence in the desire among Indian and British HR managers to integrate HRM with business strategy, they differ in the underlying logic of implementing this integration. In the following section, we therefore examine the implementation of different HRM policies and practices across cultures in more detail.

## **Cultural Differences in National HRM Practices**

Scholars have studied the design and implementation of HRM policies and practices across a wide range of cultural contexts, including China (Warner, 2008), Korea (Bae & Lawler, 2000), Singapore (Barnard & Rodgers, 2000), Hong Kong (Ngo, Turban, Lau, & Lui, 1998), Kenya (Nyambegera, Sparrow, & Daniels, 2000) and Oman (Aycan, Al-Hamadi, Davis, & Budhwar, 2007). In addition, existing studies have compared HRM systems across different cultural contexts such as the US, Canada and the Philippines (Galang, 2004), the US, Japan and Germany (Pudelko, 2006), East Asia (Zhu, Warner, & Rowley, 2007), Australia, Indonesia, Malaysia and Hong Kong (Mamman, Sulaiman, & Fadel, 1996), the UK and China (Easterby-Smith et al., 1995), Turkey, Germany and Spain (Özçelik & Aydinli, 2006), China and the Netherlands (Verburg, Drenth, Koopman, Muijen, & Wang, 1999), China, Japan and South Korea (Rowley, Benson, & Warner, 2004), the UK and India (Budhwar & Khatri, 2001; Budhwar & Sparrow, 2002b) and China and Taiwan (Warner & Zhu, 2002). Despite the multitude of cultural contexts that are examined, the studies generally focus on similar dimensions of HRM. Our following discussion is framed along cultural differences in HRM with regard to four key HRM practices: recruitment and selection, compensation and benefits, performance appraisal, and training and development.

### ***Recruitment and selection***

Existing research has shown recruitment, selection and retention practices to be culture-bound. First, the underlying selection criteria have been found to differ across cultures. Based on a review of extant literature, Aycan (2005) suggests that recruitment and selection in cultures high on performance orientation or universalism are based on hard criteria such as job-related knowledge and technical skills whereas cultures that are low on performance orientation, oriented

towards ascribed status or particularistic tend to favour soft criteria such as relational skills or social class affiliation.

Second, there is also evidence that the recruitment and selection strategy differs across cultures. For example, collectivist cultures seem to prefer the use of internal labour markets in order to promote loyalty to the firm (Budhwar & Khatri, 2001). In collectivist societies it is often also difficult for externally recruited candidates to enter the strong social networks within the organization and cope with resistance following their appointment, especially in cases where an internal candidate has been supported (Björkman & Lu, 1999).

Third, selection methods are likely to be culture-bound. Evidence suggests that cultures high on uncertainty avoidance tend to use more types of selection tests, use them more extensively, conduct more interviews and monitor their processes in more detail, thus suggesting a greater desire to collect objective data for making selection decisions (Ryan, McFarland, Baron, & Page, 1999). Cultures high on performance orientation or universalism will also employ more standardized and job-specific selection methods (Aycan, 2005). Finally, practices concerning the retention of staff in short-term oriented cultures tend to focus on transactional employment relationships and be more responsive in nature. In contrast, retention practices in long-term oriented cultures entail a more preventive character and centre on relational employment needs (Reiche, 2008).

### ***Compensation and benefits***

Evidence also suggests that compensation and benefit schemes need to be tailored to different cultural settings. A key dimension refers to the basis upon which employees are compensated. Specifically, the literature differentiates between job-based and skill- or person-based pay systems (Lawler, 1994). In this vein, performance-oriented or universalistic cultures

are likely to devise compensation systems that are based on formal, objective and systematic assessments of the relative value of a job within the organization. In contrast, in high power-distance or particularistic cultures pay systems will be influenced by subjective decisions from top management and will focus on the person rather than the job itself (Aycan, 2005). There is also evidence for cultural variation concerning the accepted level of performance-based rewards. For example, high power distance and fatalistic cultures tend to have lower performance-reward contingencies (Aycan et al., 2000). In addition, Schuler and Rogovsky (1998) showed that high uncertainty-avoidance cultures prefer seniority- and skill-based reward systems given their inherent predictability whereas low uncertainty-avoidance cultures place a stronger focus on individual performance-based pay. Similarly, they found that employee share options and stock ownership plans are more widespread in low power-distance cultures.

Compensation systems also differ considerably between individualist and collectivist cultures. While pay-for-performance schemes are very common in individualist cultures, collectivist societies tend to use group-based reward allocation and reveal lower overall pay dispersion (Easterby-Smith et al., 1995; Schuler & Rogovsky, 1998). Finally, there are also different cultural preferences for indirect pay components. Huo and Von Glinow (1995) discovered a relatively greater use of flexible benefit plans, workplace child-care practices, maternity leave programs and career break schemes in the collectivist context of China, while Schuler and Rogovsky (1998) found these practices to be less important in masculine cultures.

### ***Performance appraisal***

The process of evaluating employee performance usually comprises three distinct stages: (1) preparation for the appraisal process, which concerns the performance criteria and goals to be assessed, (2) the appraisal method or process, as well as (3) the content of the performance

evaluation (Milliman et al., 1998). Concerning the preparation stage, evidence suggests that individualistic societies tend to emphasize personal achievement in the appraisal whereas collectivist cultures highlight group-based achievement (Miller, Hom, & Gomez-Mejia, 2001). In a study on performance appraisal in Hungary, Kovach (1995) showed that fatalistic cultures, in which individuals perceive work outcomes to be beyond their influence, tend to accept performance below expectations as long as the focal individual displays effort and willingness. Furthermore, low power-distance and universalistic cultures are also more likely to stress task-related competencies and outcomes (Aycan, 2005).

There is support for the notion that culture also has a bearing on the process of conducting performance appraisal. For example, evidence suggests that feedback quality and relational quality between supervisor and subordinate tend to be higher for matched collectivist-collective and individualist-individual dyadic relationships than for mismatched dyads (Van de Vliert, Shi, Sanders, Wang, & Huang, 2004). In general, researchers emphasize that evaluation based on direct feedback is more prevalent in individualist cultures whereas collectivist societies focus on indirect, subtle, relationship-oriented and personal forms of feedback (Hofstede, 1998). Similarly, direct, explicit and formal processes of appraisal are more widespread in low-context cultures (Milliman et al., 1998). Moreover, low power-distance cultures appear to use more participative and egalitarian forms of performance appraisal whereas members of high power-distance cultures tolerate autocratic assessment styles that do not require them to openly express their perspectives in the appraisal review (Snape, Thompson, Yan, & Redman, 1998).

Finally, there is also some indication that the topics and issues discussed during the performance appraisal are likely to vary across cultures. Individualistic cultures are considered to place a stronger focus on discussing employees' potential for future promotion based on task performance whereas collectivist societies concentrate on seniority-based promotion decisions

(Milliman et al., 1998). However, empirical evidence supporting this notion is inconsistent. For example, Snape et al. (1998) found that the content of performance appraisal in Hong Kong companies was more strongly geared towards reward and punishment, and less towards training and development compared to British firms. This suggests that other factors may play a role and that cultural dimensions are likely to interact in influencing the design and implementation of HRM practices in different cultural contexts.

### ***Training and development***

A last set of HRM policies and practices concerns training and development. Cultural variation exists both with regard to the importance of training and development as well as with regard to the content and methods of training. First, there is evidence that fatalistic cultures perceive training and development as less relevant for organizations given the prevalent assumption that employees have limited abilities that cannot easily be enhanced (Aycan et al., 2000). Second, individual learning styles are inherently culture-bound (see Harvey, 1997; Yamazaki, 2005) and therefore call for a different design and delivery of training across cultures. For example, high power-distance cultures generally prefer one-way over participative delivery of training and education courses in which the instructor is perceived to possess sufficient authority. In these cultures, organizations tend to employ senior managers rather than external trainers as instructors in order to ensure a high level of credibility and trust (Wright, Szeto, & Cheng, 2002). Furthermore, it is found that cultural values such as high uncertainty avoidance and low assertiveness drive managers to pursue internal, systematic, and long-term orientations in personnel development (Reichel, Mayrhofer, & Chudzikowski, 2009).

Existing research on cultural variations in the design and implementation of other HRM practices such as HR planning and job analysis has attracted very little attention (Aycan, 2005).

Overall, it has to be acknowledged that not all HRM practices possess the same level of culture-specificity. Indeed, practices such as recruitment and selection or training are likely to be less culture-bound than practices such as career development, performance appraisal and reward allocation, since the latter deal with interpersonal relationships rather than technology (Evans & Lorange, 1990; Verburg et al., 1999) and are thus more embedded within the cultural fabric of the local context.

### **Multinationals as Inter-Cultural Agents**

One of the most relevant implications of comparative HRM research is to provide managers, particularly those working in MNCs, with specific guidelines concerning how to design and implement an effective HRM system when their business operation enters into different cultural contexts. This notion has generated controversial yet critical topics of discussion in comparative HRM, such as the debate on localization versus standardization, and the process of transferring HRM policies and practices across nations.

#### ***Localization vs. standardization debate***

In the presence of cultural differences, one critical challenge that HR managers in MNCs face is how to maintain a consistent global HRM system while, at the same time, responding sensitively to local cultural norms. Implicit to this standardization versus localization (or integration vs. responsiveness) debate is the more fundamental assumption about whether a set of universally valid *best practices* can be identified, irrespective of the cultural context (also known as the convergence vs. divergence debate, see Pudelko & Harzing, 2007). If best practices do exist, it makes sense to identify them and transfer them to different parts of the world. Whereas various authors have proclaimed the existence of international HRM best practices (e.g., Von Glinow, Drost, & Teagarden, 2002), other scholars refute this idea and argue that practices need

to be closely adapted to the local context in order to be effective (e.g., Marchington & Grugulis, 2000; Newman & Nollen, 1996). From the latter perspective, the congruence between management practices and national culture is so critical that local responsiveness may become an inevitable task.

### ***Transfer of HR practices***

In general, there is a strong temptation for MNCs to transfer their HRM policies and practices to various other countries, either from the headquarters (i.e., country-of-origin effect) or from a third country which has set the standard of global best practices (i.e., dominance effect, Pudelko & Harzing, 2007). Scholars subscribing to the culturalist approach maintain that it could be very difficult, if not impossible, to transfer HRM practices between two countries with different national cultures (Beechler & Yang, 1994). For instance, implementing an individualistic HRM system (e.g., merit-based promotion) in a collectivist culture may encounter difficulties (Ramamoorthy & Carroll, 1998). In the same vein, national cultural distance has been considered as an indicator to predict the transferability of HRM systems across countries (Kogut & Singh, 1988; Liu, 2004; Shenkar, 2001).

Despite the existence of fierce debates about the cross-cultural transfer of HRM practices, scholars generally agree that (1) it is necessary to distinguish between HRM policies and HRM practices, and (2) although some HRM policies may be similar across MNC subsidiaries, the actual practices are more prone to respond to local norms and display differences across cultures (Khilji, 2003; Tayeb, 1998).

### **Limitations of the Cultural Perspective**

While an increasing number of studies have investigated the role of national culture in shaping local HRM policies and practices, this perspective is not without criticism on both

conceptual and empirical fronts. An important risk of culturalist approaches is the tendency to over-simplify national cultures and construct cross-cultural comparative analysis based on exaggerated cultural stereotypes. As Child and Kiesser (1979: 269) have indicated, a methodological problem of using cultural variables is that these have not been incorporated into “a model which systematically links together the analytical levels of context, structure, role and behaviour”.

Often, it is also difficult to distinguish clearly between cultural values and institutional arrangements. Traditionally, scholars have tried to blend and probe the relationship between them. Dore (1973) points out how institutions are created or perpetuated by powerful actors following their interests and cultural orientations. Likewise, Hofstede (1980, 1993) argues that culture reflects institutions. More specifically, Whitley (1992) also acknowledges strong cultural features within his dominant contingency institutional perspective, arguing that institutions include cultural attitudes. He identified two main groups of major institutions – background and proximate – which constrain and guide the behaviour of organizations. Whereas background institutions entail trust relations, collective loyalties, individualism and authority relations, proximate institutions comprise the political, financial and labour systems, etc. As Whitley (1992: 269) points out, “background institutions may be conceived as predominantly ‘cultural’”.

Another weakness of the culturalist approach is the lack of a priori theorizing in existing research (Schaffer & Riordan, 2003). Rather than explicitly incorporating culture into their underlying theoretical framework, researchers frequently explain observed differences only *ex post*. With few exceptions (e.g., Aycan et al., 1999) studies do not sufficiently explain how and why, i.e., through which sources and mechanisms, culture affects the design and implementation of HRM. Similarly, by using the nation state as a proxy for culture, research risks not capturing all relevant sub-cultural differences that may influence HRM (Ryan et al., 1999). The example of

the literature on choice of entry-mode suggests that an almost blind reliance on an overly simplistic measure of cultural distance may not only lead to inconsistent results but also overlooks more subtle cultural factors that may play a role (Harzing, 2004). We would encourage more research to focus on within-culture variation when studying cultural preferences for HRM policies and practices (e.g., Aycan et al., 2007).

Comparative cross-cultural research is plagued by a variety of methodological problems (Tsui, Nifadkar, & Ou, 2007) that may reduce the researcher's ability to draw valid conclusions about relevant differences in the design, implementation and, in particular, the perception of HRM policies and practices across cultures. As Galang (2004) points out, comparative HRM studies not only need to ensure functional and conceptual invariance of the underlying practices of interest but also pay attention to the metric and linguistic equivalence of their measures. Moreover, there is a lack of studies applying multilevel models in investigating culture's impacts on HRM policies and practices. Scholars should strive to include a larger number of countries in their study to insure that a full range of the predictor variable distribution (i.e., cultural values) is covered (Milliman et al., 1998), which, in turn, would allow researchers to attribute the variations in HRM systems found across countries to cultural differences in a more convincing way.

By over-relying on the dimensional models of culture (e.g., Hofstede), studies adopting a culturalist approach also suffer from the weaknesses inherited in those models, particularly when culture is not directly measured but scores of cultural dimensions reported in the cultural models are applied. In other words, if the cultural scores are flawed in the first place, the analyses using these scores may also be contaminated, thus rendering the conclusions suspicious. Furthermore, the coverage of culture in comparative HRM may also be constrained by the original cultural models. Therefore, while there are abundant cases studying the US and West European countries,

accompanied by Japan and some emerging economies in Asia and Latin America, the African, Middle East, and Arabic world is still largely absent in the current body of literature.

Finally, even if culture is actually measured in the studies, a huge risk of confusion of levels still persists. It is not rare that researchers fail to align their level of theory, measurement, and analysis, thus committing various types of multilevel fallacies (Klein et al., 1994; Vijver, Hemert, & Poortinga, 2008). Scholars may measure “cultural values” at the individual level but make inferences at the organizational or country level variables. Consequently, some of the results reported by this culturalist line of research should be considered with caution.

## **Conclusion**

In this chapter, we discussed how cultural values and norms shape managerial choices across national contexts and how these may, in turn, explain differences in HRM. While this approach certainly deserves merit as shown by the growing number of empirical studies and conceptual debate, it is clear that national cultural factors can only serve as one among several determinants that influence the design and implementation of HRM policies and practices across different contexts. Subsequent research would greatly benefit from expanding the scope of the cultural perspective to entail additional factors. In this vein, our review serves as a modest starting point to organize a future research agenda.

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