

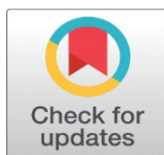
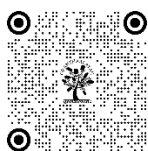
CROSS CULTURAL DIVERSITY IN HRM

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ABSTRACT

The research paper explores the impact of cross-cultural diversity on Human Resource Management (HRM) practices in contemporary organizations. With globalization intensifying the interaction between individuals from diverse cultural backgrounds, understanding how cultural differences influence HRM is critical for maintaining competitive advantage and fostering an inclusive workplace. The study examines key HRM functions, including recruitment, training and development, performance management, and employee relations, through the lens of cultural diversity. The paper aims to provide HR professionals and organizational leaders with actionable insights to effectively manage and harness the potential of a culturally diverse workforce. By analyzing various case studies and theoretical frameworks, the paper highlights the challenges and opportunities presented by cross-cultural diversity. Key challenges include communication barriers, cultural misunderstandings, and differing work values and practices. Conversely, the research identifies opportunities such as enhanced creativity, better problem-solving capabilities, and a broader talent pool. The findings suggest that successful HRM in a multicultural environment requires adaptive strategies, cultural competence, and inclusive policies that respect and leverage cultural differences. Recommendations include implementing cross-cultural training programs, promoting a culture of inclusion, and adopting flexible management styles that accommodate diverse perspectives. Ultimately, the research underscores the importance of cross-cultural diversity in enriching organizational dynamics and driving sustainable growth.

Keywords: Cross Cultural, Diversity, HRM, Culture, Conflicts, Managing Diversity, Teams, Globalization

1. INTRODUCTION

An organization's values, beliefs, and actions are referred to as its culture. It generally focuses on the values and ideas that underpin how individuals and communities view the world and act. Executives operational cultural statements when clearly state and make public the company's values, which offer guidelines for acceptable employee conduct (Kotelnikov, 2007). According to Kluckhohn (1954), culture is to society what memory is to individuals. Subjective culture and material culture are different. Material culture includes things like the equipment, houses, food, clothes, pots, machinery, roads, bridges, and a host of other things that are commonly found in a society. Collective thoughts are a part of subjective culture standards for evaluating environmental occurrences, including theoretical, political, religious, scientific, economic, and social ones. Some of the components of a cultural group's subjective culture include the language (e.g., the way experience is classed and structured), beliefs, associations (e.g., what concepts are linked to other ideas), attitudes, norms, role definitions, religion, and values.

Subjective and material culture are related because ideas about how to create a piece of material culture—such as the mathematical formulas required to build a bridge—also constitute subjective culture. Cultures arise due to ecologies (temperature, geography characteristics, means of subsistence) vary from one location to another. Cultural diversity highlights the differences between individuals; it highlights the idea that we differ from one another more than we do similarities. The division of people into social classes based on their originating sociopolitical and cultural ideas is the divide between multiculturalism and cultural diversity. There are dominant and minority groups in cultural variety, but there is no racial, ethnic, or national classification of people in multiculturalism. (Parhizgar, 2002).

2. WHY SHOULD ORGANIZATIONS CARE ABOUT CULTURE?

Culture provides a fundamental foundation for understanding the world as a human society. The core tenet of multiculturalism is that each person is unique and that there are more similarities than differences between us. This idea is predicated on a civic belief that everyone subcultures within a society are characterized by shared ideals, and people from different political beliefs, ethnic backgrounds, and cultural traditions ought to be treated equally. Different perspectives will arise when people from different cultural backgrounds work together; this could cause discord, disagreement, and eventually losses in teamwork. For instance, Stone (2003) highlights how crucial it is to comprehend workplace multiculturalism, noting that different people have different work scripts, or concepts on the proper course of action in a certain circumstance and culturally-based behavioral expectations. In the end, this will affect the business by possibly preventing goals from being accomplished (such as decreased earnings and productivity, workplace accidents, or unsuccessful mergers). In this situation, training can be used to help people bridge gaps in corporate expectations and comprehend cultural differences that could be present in the work scripts.

Thus, multiculturalism is a way for different cultures living in one social system to work together and share understanding in order to move the system as a whole toward meaningful achievement for all (Parhizgar, 2002)

3. CROSS-CULTURAL DIVERSITY IN HRM

Managers' capacity to comprehend and strike a balance between the duality of diverse cultural values and practices is a major factor in the effectiveness of HRM initiatives across cultural boundaries. If a subsidiary's policies and principles are incompatible with the local environment, or if local workers' expectations are results that are inconsistent with organizational procedures are frequently more harmful than beneficial. Normative integration is thought to be a helpful strategy for introducing a subsidiary's employees to the corporate culture and assisting them in forming a corporate perspective, even though some research has concentrated on adapting as much as possible to the norms and behavior of a foreign culture (Tung, 1991, Dowling et al., 1999). It is evident at the subsidiary level that HRM procedures including election, appraisal, awards, and remuneration must be in line with organizational principles. A subsidiary is an organization that adds value to a host a nation that is capable of carrying out a complete value chain of operations or just one task, like marketing (Dunning, 1994). The diverse methods employed by multinational subsidiaries' management ought to be contingent upon the distinct tasks and activities undertaken by the subsidiaries (Birkinshaw & Morrison, 1995). Different national cultures can have varying strengths and capacities because of their varied ideals (Trompenaars, 1993). Thus, in order to carry out value-added operations and thus generate long-term competitive advantages, a multinational subsidiary should take advantage of cultural differences in problem solving techniques (Hoecklin, 1994).

4. DIVERSITY MANAGEMENT AND HUMAN RESOURCE MANAGEMENT

Diverse management's results have been extensively covered in the literature. It is expected that diversity management will make minority groups more representative in the workplace. Minority opportunity-based diversity, for instance, and In American businesses, equitable management practices are positively correlated with the racial diversity of the management team, particularly for Asian and African American employees. "Racial minority mentoring programs, racial minority network groups, internships for racial minorities, and career tracks for racial minorities with high potential as future managers" are examples of minority opportunity-based diversity and equality management strategies. (Richard, Roh, and Pieper, 2013). The same study demonstrated the presence of an additional beneficial association between manager accountability and "offering incentive compensation to managers who achieve organizational diversity targets and assessing managers on diversity-related activities or results" - and the presence of minorities in positions of management. When the company gets smaller, those relationships usually get stronger (Richard et al., 2013). In his study, Celebioglu (2017) also noted that gender disparity is a major issue in Turkey's labor markets, contending that the issue involves a variety of aspects, including social, cultural, and economic aspects. According to the study, a number of factors,

such as the degree of socioeconomic development, gender equity, household size, and salary difference, have an impact on women's employment (Celebioglu, 2017). Diversity management is viewed as an important HRM function that improves competitiveness and organizational performance at the organizational level (Cooke & Saini, 2010). Work-life balance initiatives are expanding, which promotes good effects of gender diversity in non-management on organizational productivity. On the other hand, a management gender diversity portfolio lacking in work-life balance initiatives has a detrimental effect on the organization's financial success. Therefore, encouraging work-family balance initiatives is probably going to reassure staff members about the employer's objectives regarding gender diversity, which raises the possibility that diversity will improve performance.

5. CULTURE AND CULTURAL DIVERSITY

Culture is a vast and all-encompassing term that encompasses all modes of existence. Participating in family and social networks throughout life allows one to acquire cultural knowledge. Values and behavioral patterns, language and dialects, nonverbal cues, worldviews, and frames of reference are only a few of the elements that make up a culture. Within a particular group, cultural practices are shared; they may or may not be shared with other groups. It is critical to understand that cultures are dynamic since people, communities, and the environment they live in are ever-changing. Members of a dominant civilization or subgroup frequently believe that their culture is right and that of all other cultures is wrong or even inferior. Although the terms race and ethnicity are sometimes used synonymously, they are not the same. Group membership determined by ancestry, national origin, and genealogy defines ethnicity. Race and ethnicity does not alter, despite potential changes in the cultural traits of a particular ethnic group. The four strategies that can be useful in examining and comprehending diverse culture in the following ways: Collectivism vs. Individualism: While the group is valued in some cultures, the individual is valued in others. The culture that feels that authority inside an organization should be allocated differently is known as the "power distance." Avoidance of uncertainty: Hofstede discovered that although some culture view change as a challenge, don't others. Femininity vs. Masculinity: Hofstede personally dislikes the labels "feminine" and "masculine." In order to prioritize other matters that are more crucial to the company, such accomplishment and assertiveness, these two criteria should be disregarded.

6. MANAGING DIVERSITY THROUGH HRM

Diversity in the workforce recognizes the existence of several apparent and invisible differences among people, including those related to age, gender, marital status, social status, handicap, sexual orientation, religion, personality, ethnicity, and culture. Still, every nation has different concerns related to diversity that are more pressing. The most significant aspect of variety in Western nations, such as those in the EU, Australia, and New Zealand, where there are a lot of foreign migrants with varied backgrounds, has always been multiculturalism.

Additionally, we create a conceptual framework that will assist firms in creating HRM policies and strategies for efficient diversity management. A varied workforce is made up of people with a wide range of perspectives, attitudes, and methods of perspectives of the world and distinct data. The significance of diversity in the workforce has increased due to the rapid internationalization and globalization. The remainder of our paper is organized as follows: First, we assess the current status of HR diversity strategies implemented by businesses across the globe; second, we create a conceptual framework of HR diversity management, which links HR diversity strategies to the main goals and concerns related to HR diversity; lastly, we address the gaps in the literature and the practical and research implications of our findings.

7. CROSS CULTURE COMMUNICATION IN HRM

Online communication is becoming more and more important to organizations in today's knowledgebased global economy as a means of effectively responding to competitive, ever-changing markets. There is no slow down in the amount of time spent on online. Data indicates that in the USA, 88 million workers have access to the Internet, and 1.1 billion emails are sent out every day (HR Focus, 2003). The number of Internet hosts increased from 1.3 million to 9.5 million in just the years 1993 to 1996 (Gray, 1996). According to Bajaj (2001), the Asia-Pacific region's share in global business to-business e-commerce in 2004–2005 was estimated to be between US\$616 billion and US\$1,500 billion. Global Internet usage is probably going to keep growing as time goes on among people in every generation after that (Negroponte, 1995). In the context of the surge in internet activity, businesses nowadays function on a transnational scale, transacting business internationally and across national borders. Given that network competency has demonstrated a significant positive impact on the inter-intra. The success of a company's product and process innovation, as well as organizational online collaborations (Ritter and Germu'nden, 2003), depend on the efficacy of

cross-cultural online communication. Extremely divergent points of view can be found in some online writings about cultural diversity. According to some, the "MacWorld" effect—where developing nations strive for a Western consumer lifestyle—cause the new technology to lessen cultural variety (Barber 1992). Some online literature on cultural diversity presents extreme polarities: either new technology reinforces cultural fault-lines whereby cross-border communication technology retains cultural groupings, or it reduces cultural diversity in what has been termed the "MacWorld" effect, where developing countries aspire to a Western consumer lifestyle (Barnett, 2001). It is projected that online communication will elicit perceived value dissimilarity, lowering job effectiveness in an environment where Easterners' interdependent values and Westerners' autonomous values are evoked and exchanged (Hofstede, 2001).

8. DIVERSITY ORIENTED HRM

Top management must understand the interdependent function of online input/output and culturally diverse end users, or ICs, in the context of cultural diversity (Martinsons and Chong, 1999). HRM that is focused on diversity can suggest a suitable order of sensible, culturally aware behavioral guidelines. Contingency theory states that organizational design elements will affect how much IT assists an organization (Martinsons and Chong, 1999). Stated differently, the effectiveness of online cross-cultural communication at work is largely determined by the integration of diversity oriented HRM with organizational IT cultures (Martinsons and Chong, 1999). Since I/C is the main topic of this study, we suggest that diversity-oriented HRM—more especially, the combined usage of I/C—will favorably moderate the effect of online intercultural communication. Individualist HRM techniques encourage concern for one's wellbeing over the welfare of the group (Brickson, 2000). These practices include clearly defined work duties, equity in reward allocation, and awards for individualism rather than group success (Deutsch, 1968).

Organizations that place a strong emphasis on personal performance, however, demotivate workers by encouraging them to prioritize their own well-being at the expense of others' (Batson, 1998). Individualist values on the internet might be made more prevalent by these actions alone. However, performance is evaluated and rewarded based on the individual's group achievement rather than their own accomplishment when employing collectivist HRM techniques such as equal reward distribution which encourages people to prioritize the welfare of their group over their own (Brickson, 2000; Sherif, 1967). The worth of collectivists online may be exacerbated by these actions alone. Therefore, it is suggested that an organization's adoption of a combination of IC practices will have the greatest beneficial impact on important outcomes, especially when compared to the adoption of each approach alone.

9. CONFLICT IN A MULTICULTURAL ENVIRONMENT

Culture is a group that influences an individual's identity and values. Cultural conflicts result from disparities in the norms and values of behavior among persons from various civilizations. When someone behaves in accordance with the standards and values of their culture, someone with a different perspective may see things differently. This circumstance breeds miscommunication and may result in hostilities.

1. IDENTIFYING CULTURAL CONFLICTS:- There are three aspects to cultural strife. Cultural conflict adds a third dimension to the two that every dispute has (content and relational): "a clash of cultural ideals." Since it establishes personal identity, this third dimension serves as the conflict's fundamental element. Signs of cultural conflict include the following: (1) usually, its dynamics are complex. The aforementioned cultural differences frequently result in intricate combinations of expectations regarding one's own behavior as well as those of others. (2) Should resolving content and relationship issues fail to resolve the conflict, cultural differences may be the cause, (3) Even though the point of dispute is little, conflict keeps coming up or gives rise to intense emotions.

2. RESOLVING CULTURAL CONFLICTS:- The first step in resolving a cross-cultural conflict is determining whether cultural concerns are at play. Resolution of cross-cultural conflicts can be achieved by looking into the cultural aspects. The parties should first acknowledge that there is a cultural component to their dispute before beginning the resolution process. Subsequently, it is imperative that all parties involved are prepared to address all aspects of the issue, including the cultural one.

3. GAINING KNOWLEDGE ABOUT SEVERAL CIVILIZATIONS:- BY becoming knowledgeable about the cultures they encounter, people can avoid cross-cultural disputes. This training courses, broad reading, conversing with others from diverse cultures, and gaining knowledge from prior experiences are some of the ways that knowledge can be acquired.

4. MODIFYING POLICIES AND PROCESSES INSIDE THE ORGANIZATION:- Organizational structures frequently carry over cultural conflicts and represent the norms of a single culture. It becomes required to implement structural modification to increase the system's sensitivity to other people's cultural norms.

10. LITERATURE REVIEW

Groenewald et.al. (2024) explored that how Human Resource Management (HRM) was adapting to critical challenges in today's business landscape. It examines the influence of globalization, management of multicultural workforces, talent acquisition and retention, and technological advancements on HRM practices. Through a comprehensive review of literature, the study identifies strategies to tackle these challenges. These include enhancing cultural competence, advancing diversity and inclusion efforts, implementing effective talent management strategies, and leveraging technology for improved HRM practices. By adopting a proactive and strategic approach, HR managers can effectively navigate globalization, workforce diversity, and technological shifts to drive organizational success and sustainability. The study emphasizes HRM's role in aligning human capital strategies with organizational objectives, promoting employee engagement and development, and ensuring compliance with legal and ethical standards. Ultimately, this research enhances our understanding of how HRM evolves to meet contemporary challenges and guides organizational performance in a competitive business environment.

Dubey & Bhargava (2023) described that managers utilize their cultural expertise to make decisions regarding cultural diversity, understanding that cultural awareness and diversity are subjective concepts. However, human resource specialists are constrained by organizational limitations and do not fully support procedures enabling managers to address cultural diversity effectively. This study employs qualitative methods and a descriptive framework to investigate the role of human resource management (HRM) in managing cultural diversity within a correctional service organization. A non probability purposive sample selected 24 managers from a population of 42 across head and regional offices. This situation leads to favoritism, reducing morale and increasing turnover rates. Additionally, managers often lack the knowledge and skills needed to effectively integrate organizational strategies and policies with cultural diversity considerations. In conclusion, embracing cultural diversity in HR development presents numerous benefits and opportunities for organizations. By fostering inclusivity and equity, companies can create workplaces where individuals from diverse backgrounds thrive, contributing unique ideas and talents.

Rajhans & Hiray (2022) declared that globalization, today's large organizations across various sectors are characterized by multicultural and multidisciplinary teams. It has become crucial to recognize and address emerging barriers to cross-cultural communication that can impede effective workforce management. With the workforce becoming increasingly global and culturally diverse, the ability to communicate effectively across cultures is essential for enhancing team performance and achieving success. This paper aims to identify key barriers to cross-cultural communication (CCCB) in managing diversity within multicultural organizations. Furthermore, it explores how these barriers impact team performance. Based on the findings, the paper proposes a cross-cultural communication framework that can be implemented by multicultural organizations in India and other countries facing similar challenges.

Sharma et al. (2020) defined that Culture plays a vital role in managing diverse workforces, as understanding and respecting cultural differences can lead to positive workplace outcomes. Cross cultural studies have shown that awareness of cross-cultural leadership and motivation is crucial for international managers to succeed in diverse environments. Managers operating globally must consider cultural differences and values when crafting effective motivation and leadership strategies. This conceptual paper discusses the importance of workforce diversity, the application of motivation and leadership practices in cross-cultural contexts, and provides real-life examples from leading IT companies. It aims to guide management policymakers in designing culturally oriented strategies for managing diverse workforces.

Bhatti et al. (2019) addressed the challenges organizations face in managing multicultural workforces due to globalization. It aims to develop a comprehensive framework to understand the role of psychological diversity climate, HRM practices, and personality traits (Big Five) in job satisfaction and performance within multicultural settings. Data from 258 faculty members in Saudi Arabia's higher educational sector were analyzed using structural equation modeling. The findings suggest that improving the psychological diversity climate through diversity practices is crucial for enhancing job satisfaction and performance among multicultural workforce. Additionally, diversity training and unbiased performance appraisal systems were found to positively impact faculty members' job satisfaction and performance. Furthermore, the study highlights the importance of considering personality traits, particularly openness

to culture and sociability, when selecting faculty members for multicultural settings. This framework introduces novel insights into managing multicultural workforces within higher educational institutions, offering valuable guidance for organizations navigating diverse environments.

Romani et al. (2018) explored critical perspectives on cross-cultural management (CCM), which are scattered across various research fields like international business, HR management, diversity, and gender/race studies. It aims to define the scope of critical CCM research, drawing from paradigms like radical structuralism and radical humanism. The agenda of critical CCM revolves around denaturalization, reflexivity, and emancipation, challenging conventional assumptions and practices in managing cultural differences. Ultimately, the paper advocates for a critical performative agenda that engages practitioners in dialogue.

Imakwuchu & Billy (2018) explored that in today's globalized world, organizations often consist of diverse cultures, prioritizing talent acquisition. Cross-cultural teams, comprising members from different cultures, require specialized management due to cultural and territorial influences on communication, responsiveness, and conflict resolution. Effective management of such teams necessitates strong leadership and communication skills. Cultural dynamics within teams can influence management styles and communication behaviors. Embracing diverse skill sets from various cultures enriches teams and benefits organizations, enhancing business performance and financial standing.

Calvin et al. (2017) The global demand for innovative approaches in cross-cultural management is evident as organizations seek to enhance communication and collaboration among multicultural leaders and teams. Amidst digitization and technological advancements, there's a pressing need for research and practical strategies that integrate culture, inter-cultures, and cross-cultural management. Various influential organizations and companies are driving this shift, recognizing the importance of diversity and intercultural understanding. Additionally, there's a parallel need to prepare for ongoing organizational change and automation, requiring the development of new strategies and approaches. This paper proposes a conceptual framework to promote inventive approaches in cross-cultural management practices, aiming to bridge cultural gaps and facilitate successful implementation of diverse management strategies.

11. RESEARCH OBJECTIVES

1. To understand the effect of cross culture diversity on HRM practices.
2. To identify the challenges faced by professionals in managing culturally diverse teams.
3. To explore strategies for effectively managing cross cultural teams in HRM.

12. RESEARCH DESIGN AND METHODOLOGY

This investigation made use of a descriptive research design, and primary and secondary sources are used in the research. Due to the complexity of the topic, a number of scholarly articles were read; thus, secondary sources were consulted seldom. This study relies on a sample of 105 respondents from the organizations to know whether they were affected by Cross culture diversity in HRM. The sample was drawn using google forms as this was the foremost convenience methodology as the majority has a mobile and utilize it. The primary information is collected with the help of a questionnaire designed. Each statement in the questionnaire was scored on a five-point like scale, with responses ranging from "strongly agree" to "strongly disagree", Direct Question, Close end Question, Multiple choice Question. The Questionnaire were circulated by the researcher to all the respondents. This study is based on the cross culture diversity in HRM in Sonipat, Gurugram, Delhi.

13. DATA ANALYSIS AND INTERPRETATION

The data analysis reveals that cross-cultural diversity is highly valued across different industries, with notable benefits such as enhanced innovation and improved employee morale. However, challenges like cultural misunderstandings and resistance to change need to be addressed through targeted strategies such as inclusive recruitment and continuous training. The findings underscore the importance of a proactive and comprehensive approach to managing cross-cultural diversity in HRM, aligning with best practices identified in the literature. Organizations that invest in diversity initiatives and foster an inclusive culture are better positioned to leverage the full potential of their diverse workforce, resulting in increased organizational performance and employee satisfaction. By combining both quantitative and qualitative analyses, this study provides a detailed and nuanced understanding of cross-cultural diversity in HRM, offering actionable insights for HR professionals and organizational leaders.

INTERPRETATION

Table 1: Awareness about Cross-Cultural Diversity in HRM

Awareness Level	Percentage (%)
Average Knowledge	44.8%
Good Knowledge	38.1%
Very Good Knowledge	10.5%
Not Aware	6.6%

EXPLANATION

This table shows that **44.8%** of respondents have an average understanding of cross-cultural diversity in HRM, with **38.1%** possessing good knowledge. A smaller percentage (**10.5%**) are highly knowledgeable, while **6.6%** of respondents are not aware of cross-cultural diversity at all. The data reflects a generally moderate level of awareness, with a substantial portion needing further education or exposure to the concept.

Table 2: Importance of Understanding Cross-Cultural Diversity for HR Professionals

Importance Level	Percentage (%)
Important	48.6%
Very Important	31.4%
Somewhat Important	18.1%
Not Important	1.9%

EXPLANATION

The table demonstrates that **48.6%** of respondents consider cross-cultural diversity understanding to be important for HR professionals, with **31.4%** finding it very important. A smaller group (**18.1%**) thinks it is somewhat important, and only **1.9%** regard it as not important. This indicates a broad recognition of the significance of cross-cultural competence for HR roles.

Table 3: Effect of Cross-Cultural Diversity on HRM Practices

Positive	68.6%
Negative	19%
No Effect	12.4%

EXPLANATION

This table shows that the majority of respondents (**68.6%**) believe that cross-cultural diversity has a positive effect on HRM practices, while **19%** report a negative effect, and **12.4%** say it has no effect. The data suggests that while cross-cultural diversity is largely viewed positively, there are still challenges that need to be addressed.

Table 4: Challenges in Managing a Culturally Diverse Workforce

Challenge Faced	Percentage (%)
Different Work Styles	36.2%
Conflicting Values	30.5%
Communication Barriers	25.7%
Other Challenges	7.6%

EXPLANATION

The table reveals that **36.2%** of respondents face challenges related to different work styles, while **30.5%** encounter conflicting values. **25.7%** deal with communication barriers, and **7.6%** report other challenges. This data highlights the diverse nature of the difficulties experienced in managing a multicultural workforce, with work styles being the most prominent issue.

Table 5: Strategies to Resolve Conflicts Arising from Cultural Differences

Strategy Used	Percentage (%)
Cultural Sensitivity Training	46.7%
Conflict Resolution Training	45.7%
Meditation	7.6%

EXPLANATION

This table shows that **46.7%** of respondents use cultural sensitivity training as a strategy to resolve conflicts, while **45.7%** opt for conflict resolution training, and **7.6%** use meditation. Cultural sensitivity training is slightly more preferred, indicating its perceived effectiveness in addressing cultural differences in the workplace.

Table 6: Impact of Organizational Culture on Integration of Diverse Cultures

Organizational Culture Impact Percentage (%)	
Facilitates Integration	54.3%
Hinders Integration	32.4%
No Impact	13.3%

EXPLANATION

The table highlights that **54.3%** of respondents feel that their organizational culture facilitates the integration of diverse cultures, while **32.4%** believe it hinders integration, and **13.3%** see no impact. This suggests that while most organizations are promoting integration, significant barriers still exist.

Table 7: Effectiveness of HRM Practices in Managing Cultural Diversity

Effectiveness Level Percentage (%)	
Effective	40%
Neutral	31.4%
Very Effective	23.8%
Ineffective	4.8%

EXPLANATION

The table shows that **40%** of respondents consider their HRM practices effective in managing cultural diversity, with **23.8%** rating them as very effective. **31.4%** are neutral, while **4.8%** believe the practices are ineffective. This suggests that while HRM practices are largely seen as effective, there is still room for improvement.

• Correlation between Cross-Cultural Diversity and HRM Practices

The data indicates a strong positive correlation between cross-cultural diversity and effective HRM practices. With **68.6%** of respondents believing that cultural diversity positively impacts HRM, it suggests that as organizations increase their focus on diversity, they also see enhancements in HR functions such as recruitment, employee engagement, and retention. This correlation aligns with existing literature, which demonstrates that diverse teams can foster a more innovative environment, ultimately leading to improved performance metrics in organizations (Groenewald et al., 2024).

• Correlation between Challenges and Managing Culturally Diverse Teams

The data identifies specific challenges associated with managing culturally diverse teams, including differing work styles (**36.2%**), conflicting values (**30.5%**), and communication barriers (**25.7%**). There is a notable correlation between these challenges and the perceived effectiveness of HRM practices. For instance, teams that experience significant issues related to differing work styles or communication barriers may also report lower effectiveness in HRM practices, suggesting that the presence of such challenges can impede the success of diversity initiatives. This correlation underscores the need for HR professionals to proactively address these challenges to improve overall team functionality and cohesion.

• Correlation between Training Strategies and Effective Management of Cross-Cultural Teams

The strategies identified for managing cross-cultural teams, particularly cultural sensitivity training (**46.7%**) and conflict resolution training (**45.7%**), demonstrate a strong positive correlation with the effectiveness of HRM practices. Organizations that invest in these training programs tend to report higher effectiveness in managing cultural diversity. The findings indicate that as the implementation of these training strategies increases, so does the perceived success in navigating cultural differences within teams. This correlation highlights the importance of equipping HR professionals and employees with the necessary skills to understand and appreciate diversity, which can lead to a more harmonious and productive work environment.

14. CHALLENGES AND ISSUES OF DOING BUSINESS

• CHALLENGES OF DOING BUSINESS IN INDIA FOR MNCs

According to a Goldman Sachs analysis (Wilson and Purushothaman, 2003), the economies of BRIC nations—Brazil, Russia, India, and China—could surpass that of the G-6 nations (the United States, Japan, the United Kingdom, Germany, France, and Italy) by 2050. India is a developing market, and any economy of that kind has its share of difficulties for

enterprises operating there. According to Khanna and Palepu (2010), who define emerging markets, a country's strong GDP growth rate does not automatically qualify it as a developed economy because emerging markets function differently from developed ones. "Institutional voids" in emerging nations make doing business more difficult and expensive in terms of both operations and transaction costs. MNCs are very credible and have a great deal of expertise in developed countries; yet, in emerging markets, domestic organizations perform better than MNCs because they are familiar with the local market and can quickly see possibilities and dangers. Indian businesses pose a serious threat to multinational corporations (MNCs) due to their highly skilled and educated workforce as well as their access to local government and local authorities. Thorniley and Pacek (2009).

• CROSS-CULTURAL ISSUES IN INTERNATIONAL BUSINESS

An organization's culture is made up of the values, presumptions, and ideas that its members hold, and it explains how they respond to both internal and external pressures (Schein, 1983; Hofstede, 2000; Kanungo, 2001). The opinion of Soh et al. (2000) was the main factor influencing systemspecific modifications is culture. In the framework of the socioeconomic reality and national ethos of the nation in which the business operates, it also establishes performance standards, the general atmosphere, and HR regulations (Tayeb, 1987, 1994; Budhwar and Sparrow, 1997; Davenport, 2000; Kumar and van Hillegersberg, 2000). There are two distinct cultures in the corporate world: relationship-focused and deal-focused (Gesteland, 2005). India is known for its "relationship focused" culture, in which people are more cultural differences in HR management. People-oriented, with an emphasis on establishing enduring relationships and an effort to uphold harmony with others, (Katz, 2008). In contrast, the USA is a "deal focused" nation where individuals are task-oriented, straightforward, and occasionally aggressive. People from "deal focused" cultures who wish to conduct business in India must realize that building successful commercial partnerships with Indians depends more on developing trustworthy connections than on following contracts. Based on their research on biotechnology companies, Lees and Khatri (2010) note that a number of these businesses that have partnered with Indian companies face recurring issues that are primarily related to cultural differences in business practices (e.g., lengthy development partnerships). They all concur that commercial connections hold greater significance for Indians than legal agreements. Contracts are legal documents, but relationships have outcomes. Due to this mindset, Indians see excessive attention from outsiders to laws or contracts as a sign of distrust.

15. MANAGING CROSS CULTURE DIFFERENCES

Should businesses modify their HR procedures to account for cultural differences? An analysis of the literature on international human resource management, or IHRM, offers two opposing and seemingly incompatible responses to this query. The initial response, which the writers refer to from now on as the culturalist stance, supports HRM procedures that are tailored to the regional climate. This position makes the assumption that workers favor behaviors that follow local customs and that these behaviors therefore result in improved performance. Stated differently, "Act like a Roman when you're in Rome" (Newman & Nollen, 1996).

The second response, on the other hand, argues that popular HRM methods aren't always the best ones, representing an opposing viewpoint to the first. In fact, according to this universalist viewpoint, businesses should make sure that their HRM procedures adhere to a set of concepts, also referred to as High Performance Work (HPW) principles, whose efficacy has been objectively validated by numerous US research. (Arthur, 1994). The fundamental premise is that these guidelines apply to everyone and ought to aid in managing people in any country. The third response, referred to as the culturally-animated universalist stance, is more complex than the first two. This third viewpoint upholds the validity of a collection of internationally relevant HRM principles, but the culturally-animated universalist position contends—in contrast to the universalist position—that cultural influences on HRM practices prohibit the same procedures from producing the same outcomes in other nations. A mode of thinking that has already had an impact on sociology (Weber, 1904; Fukujama, 1995) and global leadership is represented by the culturally-animated stance.

16. CONCLUSION

Cross-cultural diversity in Human Resource Management (HRM) is a critical component for organizations seeking to thrive in an increasingly globalized and interconnected world. This research has underscored the significant benefits that diversity brings to organizations, including enhanced innovation, improved problem-solving capabilities, and higher employee satisfaction and retention. However, it has also highlighted several challenges that organizations must address to fully harness these benefits. The findings of this study reveal that while cross-cultural diversity is highly valued across

different industries, there are notable disparities in how effectively it is managed. Effective diversity management requires a comprehensive approach that includes inclusive recruitment strategies, continuous training and development, and fostering an inclusive workplace culture. Additionally, leveraging technology and data analytics can provide deeper insights and support more informed decision-making.

Challenges such as cultural misunderstandings, resistance to change, and the need for ongoing professional development must be proactively managed. Organizations can overcome these challenges by implementing targeted strategies such as cultural competence training, inclusive leadership appointment of dedicated diversity officers are crucial for sustaining momentum and ensuring development, and establishing safe spaces for open communication. The study also emphasizes the importance of leadership commitment in driving diversity initiatives. Strong endorsement from top management and the accountability. In conclusion, cross-cultural diversity in HRM is not just a strategic advantage but a necessity for modern organizations. By adopting a holistic and proactive approach to diversity management, organizations can create a more inclusive, innovative, and high-performing workplace. This will not only enhance their competitive edge but also contribute to a more harmonious and collaborative organizational environment. As organizations continue to navigate the complexities of a diverse workforce, ongoing research and adaptation of best practices will be essential to achieving long-term success in diversity and inclusion efforts.

CONFLICT OF INTERESTS

None.

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