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INFLUENCE OF CULTURAL DIFFERENCES IN INTERNATIONAL HUMAN RESOURCES POLICIES ON THE CASE OF INTERNATIONAL DUTCH COMPANY IN AZERBAIJAN

Recent years have witnessed the rapid development of Human Resources Management. Nowadays HR issues are significant not only in domestic market but also, because of globalisation process, they are becoming more important in international companies relation. In such circumstances companies have to face new challenges and create appropriate conditions for multicultural working. Studies of Hofstede (1980) show the importance of place and culture in which people have grown up to their feelings and behaviours. Recently, researches have examined the effects of culture in International Human Resource Management. Cultural differences determinate HRM activities in most of the company subsidiaries areas of action (Schneider and Barsoux, 1997). This practise begins from staffing policy, then it is going through knowledge sharing to talent management. Thanks to effective HRM practices in these areas companies creates future competitive position (Ahmad and Schroeder, 2003). That process is strengthened by building socialization mechanism, described by Hong and Vai (2008).

Introduction

The aim of this paper is to identify strategic HR issues for POG Company and to find for them adequate solutions. POG is a Dutch company operating in international background. New challenges have arisen when company opened its new subsidiary in Azerbaijan. To start with, Azerbaijan culture will be described in order to give relevant image of conditions in which company is doing its economics activities. It will identify and critically justify the choice of two connected strategic HR issues for POG. Then the literature review will be presented to support considerations and to demonstrate importance of these areas. Finally this paper will give examples of relevant recommendations concerning the questions that have been raised.

The main problems

The main problems posed in this paper are connected with staffing and knowledge sharing. Both issues are strongly integrated with each other by culture connections. One of the most important elements of analysing POG's strategic HRM issues is understanding company's local macro environment. Hofstede [9] in his studies cover 76 countries in the third edition of "Culture and Organizations: Software of the mind". Although, this research has not covered Azerbaijan, it is possible to identify countries which could have influence on Azerbaijan culture. Azerbaijan is a Muslim country, geographically and historically connected with states like Turkey, Russia and Iran [7]. Those countries are in group mostly characterised by high or moderately high score in four cultural dimensions: power distance, uncertainty avoidance, masculinity and collectivism. A strong impact of these characteristic can be observed in POG employees' opinions and behaviours. Moreover staffing and knowledge sharing strategies are creating integrated chain in building valuable human resources in company. Knowledge sharing is one of the most important elements in the process of talent management, which starts with appropriate programs in staffing and recruitment policy.

POG's staffing issues are caused by recruitment plans. Company predict the doubling of the employees in next five years. These goals assume that 90 % of corporate staff would be local workforce. Although, company's aspirations which are "genuinely meritocratic" arise problems with nepotism and networking. Moreover, for culture strongly based on relationships the impersonal recruitment process seems to be alien. Using inadequate recruitment tool would not give the real image of candidates.

In nationalities characterised by collectivism there is a strong emphasis on people's relationships, which create new culture attributes. Particularism is one of the seven culture dimensions in Trompenaars and Hampden-Turner (1997) studies [16]. These researches create alternative framework to Hofstede scheme. In countries with such strong focus on relations the applicants prefer face to face investigation.

Implementation of more personal recruitment process seems to reach Azerbaijan people. Understanding of culture differences determinates HR department to preparing new tests. Recruitment process should take into consideration different habits, customs, and work conditions. Creating a recruitment team consisting of both expatriates from headquarters and locals seems to be useful in dealing with nepotism problems. It could help avoid abusing network connections between recruiters and applicants.

Dowling and Festling (2008) [8] described three staffing policy: ethnocentric, polycentric and geocentric. The first approach is focused on headquarter practices and employment managers from a home country. The second one shows practices where company look for relevant workforce locally and adopt its HR department. The third one tells about scanning the whole world to find the best employees. According to this framework POG, in declaration of rising number of locals in company's workforce, has modified its strategy from ethnocentric to polycentric approach. Changing this strategy could be very useful in solving POG's rising issues. Polycentric staffing policy would focus more on culture differences between subsidiaries hosting country and headquarter environment. However, in stage of POG operations to increase the number of staff and to keep corporate values 'truly great global company' and 'modern, global learning organisation', it is very important to employ expatriates in management and to rise the number of local particular employees. Then it will be followed with a natural process of increasing nationals in senior management. In this case the prolongation of the timeframe for achieving recruitment aim to more than five years could bring additional advantages and corporate would not lose its values.

In companies' early stages it is very common to employ a bigger number of expatriates, than in the next years. By contrast, the amount of local employment is rising during the company's development process. In the more mature stage, it is common to reduce overseas employees and replace them by local workforce. The care about company priorities is one of the biggest tasks in putting this shame into practise [14]. This staffing policy exhibits Elite Hotel case study. After four years from starting operations in Azerbaijan, managers in all seven departments were expatriates while the rest of the employees were mostly locals. After next few years some managers moved on to other subsidiaries and a number of national specialists have risen. The same pattern can be observed in BP Azerbaijan subsidiary. In 1992 company opened their first office in Azerbaijan. According to BP Sustainability Reports in 2004 about 70 % of permanent staff was local. However more than 500 people of 2300 BP's staff were expatriate contractors. The amount of locals was growing in next few years. From 2008 year 100 % of non-professionals and more than 80 % of specialists was from Azerbaijan. The number of local senior management from 2006 increased more than three times and reached 149 in 2011. In the same year in BP Azerbaijan there were more than 3300 workers [3-5]. Current company staffing policy is focusing on nationalization. POG's staffing issues seems to be very similar to those presented in Elite Hotel case and BP Azerbaijan practices, therefore knowledge from these examples can be very useful in reaching company's staffing aims. However, in order to reach such significant aims, and to double employees in POG Azerbaijan, it is necessary not only to provide adequate staffing and recruitment process but also trainings programs, which means knowledge sharing strategy.

Hofstede's concept

Hofstede's cultural dimensions and their effects on corporate knowledge sharing policy are strongly visible in "Communication and Team Working" module. Although this training module was created to increasing workforce knowledge, it has turned out ineffective and has not produced expected results. Inadequate functioning of the most important tool in knowledge sharing become one of the main strategic HR issues in POG. To find relevant solutions it is necessary to analyse problems, which arise around training module. The key problem with HR policy is the alienation of western corporate culture. In this circumstances there appear other limitations of trainings caused by high power distance of trainees: the resistance of rising issues with managers and fear of undermining superiors' authority. Although Azeri society seems to be collectivist, the status of participants in team is based on a position and it is ascribed from another part of social life. Consequently, the inequalities in teams are becoming deeper. Another problem which has its roots in culture background is connected with refraining woman as superior and module trainer. Knowledge sharing issues have emerged because of wrong assumptions concerning skill training and because of the lack of knowledge about the differences between western and eastern teaching methods.

Joint opinions of Schneider and Barsoux (1997) based upon the relations between subsidiaries and headquarter could help with finding the adequate recommendations for POG. Mostly, in these connections "balance between global integration and local adaptation" [2, P. 128] was very significant, as it was pointed

out by the authors. Therefore, the importance of establishing management policy must be recognised. Finally, in various cultural backgrounds the same corporate practices could give another results. In agreeing with those sentences customised performance management scheme of „Communication and Team Working Module" could solve problem with unsuitable training tools. In high power distance cultures better effects could be brought about by giving good examples of managers' practices than learning on their mistakes. Thanks to distinctive indication of problems and additional individual discussions about issue trainees could feel more comfortable. Nevertheless, some of the western culture aspects could be established in long term perspective. Building up the authority of L&D woman officer is a part of the emphasis put on the female importance in the company's performance process. In the history it is easy to find the examples of female issues and changes in this area. This question is raised not only in different cultures, but it was also common in the history of western countries. Still women managers face other problems than men. Linehan snd Scullion (2001), describes women managers' challenges in Europe [15]. According to Hofstede (2010) researches, a moderately long term orientation characterised countries which history influenced on Azeri culture [9]. This aspect may be necessary in arousing interest in peoples for changes in team working. Appreciation of group work and engaging an active involvement in team work are very important elements of corporate aims. Relationship building by social or cultural events could bring employees and their cultures closer. Cindy Wang-Cowham (2011) described knowledge sharing Hong and Vai (2008) framework build by socialization mechanism [17, 11]. It consists of four integrated elements: understanding share, learning climate, team working and rotation of job. Formal and informal relations could improve knowledge sharing and talent development processes [13]. In most HRM cases various training of cultural values for local and expatiate managers helps people understand each other behaviours and feelings. The examples of such as training were used by Camiah and Hollinshead (2003) in cross-culture studies of expatriate and Russian managers' relations [6]. In practice, these methods are common in BP in Azerbaijan [5].

Conclusion

In recent years the number of countries in which companies operate is increasingly rising. In such circumstances culture is one of the most crucial issues which international companies need to deal with. Human resources strategies in company subsidiaries can be defined, as Leopold and Harris says, "by a critical examination of central and corporate human resourcing policies and practices with a view to local modification" [14, P. 326]. In such cases where differences between corporate culture and subsidiary host countries meaningfully affect corporate operations adaptation of headquarter strategy they could help in gaining strategy goals, and eliminate strategic HRM issues. Recently, researches have created theories and frameworks which help in solving practise questions. The recommendations in this paper are the examples of solutions POG's staffing and knowledge sharing issues based on relevant literature theories and practitioners' perspectives. However, there is no one good answer to solve International Human Resources Management issues as every company's case is individual. In Trompenaars and Hampden-Turner (1998) opinion it is not possible to give universal solutions in social sciences [16]. It is important to remember that none of those models can ideally describe reality.

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ВЛИЯНИЕ КУЛЬТУРНЫХ РАЗЛИЧИЙ НА ПОЛИТИКУ РЕКРУТИРОВАНИЯ ЧЕЛОВЕЧЕСКИХ РЕСУРСОВ. НА ПРИМЕРЕ МЕЖДУНАРОДНОЙ НИДЕРЛАНДСКОЙ КОМПАНИИ В АЗЕРБАЙДЖАНЕ

В последние годы наблюдается быстрое развитие систем управления персоналом. В настоящее время кадровые проблемы актуальны не только для внутреннего рынка, но в связи с процессом глобализации приобретают все большее значение для международных компаний. В современных условиях компаниям приходится сталкиваться с новыми проблемами и создавать соответствующие условия для работы с учетом многокультурной среды. Исследования Хофстеде (1980) показывают, что та среда и культура, в которых человек вырос и сформировал свои чувства и поведенческие навыки, очень важны. Недавно были проведены исследования о влиянии культуры на управление человеческими ресурсами в международных структурах. Культурные различия влияют на политику по управлению человеческими ресурсами в большинстве сфер деятельности дочерних компаний (Шнайдер и Барсу, 1997). Эта практика начинается с кадровой политики, затем происходит обмен знаниями, что ведет к более талантливому управлению. Благодаря эффективной практике управления человеческими ресурсами, учитывающей культурные различия, компании укрепляют свою конкурентную позицию (Ахмад и Шредер, 2003). Данный процесс подкрепляется созданием механизма социализации, описанного Хонгом и Ваем (2008).

Ключевые слова: Азербайджан, нидерландская компания, культурные различия, человеческие ресурсы.

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