THE INFLUENCE OF CULTURE ON HUMAN RESOURCE MANAGEMENT PROCESSES AND PRACTICES: THE PROPOSITIONS FOR SERBIA

ABSTRACT: This paper attempts to address the influence of national culture on HRM practices and processes in order to draw conclusions for Serbian HR practitioners, multinational corporations operating in Serbia, and any other country or organizational context that has similar cultural characteristics. To achieve this we first review the relevant literature to identify the interdependencies between Hofstede’s cultural dimensions and HRM practices and processes. On the basis of recognized relationships we put forward 11 propositions about likely appropriate HRM practices (such as job analysis, recruitment and selection, human resource planning and career management) for the Serbian cultural context, characterized by high Uncertainty Avoidance, high Power Distance, Collectivism and Femininity.

KEY WORDS: national culture, job analysis, recruitment and selection, human resource planning, career management

JEL CLASSIFICATION: M12, M14
1. INTRODUCTION

Cultures have an important impact on approaches to managing people, so the cultural differences call for differences in management practices (Newman, Nollen, 1996; Trompenaars, Hampden-Turner, 2004). Many authors argue that of all management practices human resource management (HRM) practices seem to be the most vulnerable to cultural differences, which may have important implications for their design and appropriateness (Noe et al., 2006; Stone, Stone–Romero, 2008; Trompenaars, Hampden-Turner, 2004; Tayeb, 2005; Hofstede, 1980; Laurent, 1986; Briscoe et al., 2009; Aycan, 2005; Li, Karakowsky, 2001; Schneider, 1992). The divergent perspective in international HRM proposes that the cultural differences cause differences in individual perceptions and preferences (Laurent, 1986), which shape organizational behaviour including work motivation, communications, conflicts, work-orientation, definition of goals, performance appraisal and rewarding, decision making and management style (Hofstede, 1980; Rollinson, Broadfield, 2002). Hofstede (1983) goes even further saying that “the convergence of management will never come” (p. 89). Even economic theory recognizes the importance of culture in shaping the behaviours of individuals and institutions. It proposes that beside the formal, the informal institutional context (termed as “cultural socialization”) has influence on the governance structures that coordinate individual action within firms (e.g., working contract) and individual preferences of actors in the contract, including their respective utility functions (Wolff and Pooria, as cited in Festing, 2006, p. 456).

The importance of studying the cultural differences in terms of HRM practices and policies in the relevant literature and practice is, at least, twofold. On one hand increasing cultural diversity resulting from the internationalization of the world economy means that organizations all over the world have become the challenging context for designing and implementing the unique and thus integrated HRM policies and practices that address cross-cultural concerns (Napier et al., 1995; Ricks et al., 1990). On the other hand, the cultural differences become increasingly important when studying the HRM policies and practices in a comparative context. Some studies argue that that the HRM concept that is advocated in the US is neither espoused nor practiced elsewhere in Europe (Brewster, 1993, 2006), including in the transition economies (Tung, Havlovic, 1996; Zupan, Kaše, 2005; Koubek, Brewster, 1995; Alas, Svetlik, 2004; Koubek, Vatchkova, 2004; Bogićević Milikić et al., 2008).
During the last decade, as a result of renewing the transition process in Serbia, there is a broad awareness and acknowledgment of HRM systems and policies which are becoming an institutionally accepted pattern of behaviour among Serbian companies, regardless of size, maturity, industrial sector or ownership structure (Bogićević Milikić et al., 2008). When introducing the HRM function, many Serbian companies are looking to the “North American HRM model” (Gooderham et al., 2004), irrespective of several critical differences between the North American and the Serbian institutional contexts, including cultural and social norms, legislation, economic environment, corporate governance, political environment, education system and tradition, which may prevent convergence (Holden, 2001). However, many authors argue that what might work in the U.S. may not work in other countries (Hofstede, 1980), so the attempts to transport Western practices to other nations where the culture is incompatible with the practices are likely to fail (Gomez-Mejia, Palich, 1997; Dowling et al., 1999: 14). The challenge for Serbia may be even greater taking into account the fact that not so long ago HRM practices in Serbia were underdeveloped and focused primarily on administrative issues and a traditional approach to HR. Core HR activities, such as recruitment, selection, training, career planning, compensation, performance appraisal and employee development, were neglected and underdeveloped. In terms of the professional capacity of the “Personnel Department”, it usually employed lawyers (often the only person with a university degree) and clerical staff, many of whom lacked appropriate HRM skills. Nowadays a new profession of HR managers is beginning to emerge, but still without the appropriate educational background and HR skills. They are experiencing a number of difficulties when trying to simply replicate the Western HRM practices in Serbian organizations. Research on HRM practices in the Serbian cultural context that may help them in accomplishing this task is extremely scarce.

Therefore this paper aims to investigate which HRM practices and policies may be appropriate for Serbia, taking into account the specific characteristics of the Serbian national culture. However some may argue that this kind of single country study is often dominated by the approach that guides practitioners to implement HRM practices in a particular country and does not allow for in-depth understanding of why HRM practices differ in different countries (Aycan, 2005, p. 1084). To avoid this we first review the relevant literature on the interdependencies between the cultural dimensions and HRM practices and processes in order to provide a deeper understanding of cultural influences on HRM that could be applied to any country or organizational context that has similar cultural characteristics. On the basis of identified relationships between the culture and HRM, we identify the HRM policies and practices that are likely to be appropriate for Serbia in the
light of its cultural characteristics (dimensions). However, since our main goal is to draw conclusions for HR practitioners working in Serbia we are focusing only on those cultural dimensions that have been acknowledged and well documented for the Serbian national culture. Among several HRM processes and practices, in this paper the following will be included: job analysis, recruitment, selection, HR planning and career management.¹

2. CULTURAL DIMENSIONS AND SERBIAN NATIONAL CULTURE

As culture has many expressions and meanings, so many authors have proposed different definitions of culture. One of the most frequently cited and recognized as “a consensus of anthropological definitions” (Hofstede, 1980) is that “culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values” (Kluckhohn, 1951, p. 86). In the area of management studies, Hofstede’s definition is also repeatedly cited, given that it covers what he was able to measure. According to Hofstede (1980), the culture is treated as “the collective programming of the mind which distinguishes the members of one human group to another”, and as its building blocks includes “systems of values” (p. 21). As such, culture is conceptualized and measured through different value dimensions identified and measured by numerous scholars (Hofstede, 1980; Hofstede, Bond, 1988; Triandis, 1995; Trompenaars, Hampden-Turner, 1998; Schwartz, 1994, 2006, 2008; Inglehart, Baker, 2000; House et al., 1997; House et al., 2004).

However as already mentioned, in order to identify likely appropriate HRM processes and practices in the Serbian cultural context, we are concentrating only on those cross-cultural studies which included the data and, therefore, empirical evidence about the Serbian national culture. Among the forementioned, only two authors – Shalom H. Schwartz and Geert Hofstede – included Serbia in their cultural research samples.

¹ Some earlier studies addressed the influence of national culture on compensation and performance appraisal in Serbia (see e.g., Bogićević Milikić, 2008; see also Bogićević Milkić, Janićijević, 2009), so in this paper we deliberately do not address the influence of culture on these two, often seen as the most culture-bound HRM practices.
Schwartz’s Theory of Cultural Value Orientations

Schwartz initially measured individual values in 54 countries from 44,000 respondents (Schwartz, 1994) with an original instrument generated from various other cultures. Later on he enlarged his sample to 76 countries and proposed his theory of seven validated cultural orientations, based on three bipolar dimensions: (1) embeddedness vs. autonomy, (2) hierarchy vs. egalitarianism, and (3) mastery vs. harmony (Schwartz, 2006, 2008).

According to Schwartz (2008, p. 8), in autonomy cultures, people are viewed as autonomous, bounded entities. They are encouraged to cultivate and express their own preferences, feelings, ideas, and abilities, and find meaning in their own uniqueness. There are two types of autonomy. Intellectual autonomy encourages individuals to pursue their own ideas and intellectual directions independently, whereas affective autonomy encourages individuals to pursue affectively positive experience for themselves. In contrast, embeddedness describes a value set centred upon framing life in a collective context. According to Schwartz, meaning in life is expected to come largely through social relationships, through identifying with the group, participating in its shared way of life, and striving toward its shared goals. Hierarchy corresponds with ascribed roles and obligations; this is distinguishable from egalitarianism, which views people as being on equal footing and cooperation on a voluntary basis and less on a sense of conformity or duty as with hierarchy. In the final dichotomy mastery cultural values are characterized by assertive attempts to change the environment when such action is seen as contributing to positive individual or group outcomes. In contrast, harmony cultures emphasize fitting into the world as it is, rather than trying to change it.

On the basis of seven cultural value orientations Schwartz generated a worldwide graphic mapping of national cultures which revealed eight distinct world cultural regions that reflect the influence of geographic proximity, history, language, and other factors: (1) West European, (2) English-speaking, (3) Latin American, (4) East Central and Baltic European, (5) Orthodox East European, (6) South Asia, (7) Confucian influenced, and (8) African and Middle Eastern (Schwartz, 2008). Serbia belongs to the East and Balkan European Region. According to Schwartz (2008), the East European cultures (both regions) are low on embeddedness and hierarchy compared with Africa and the Middle East and South East Asia, but higher on these cultural orientations than Western Europe. The East-Central European and Baltic culture (Croatia, Czech Republic, Estonia, Latvia, Hungary, 2

2 In his recent book (2008), Schwartz divides Eastern Europe into two cultural regions - East-Central and Baltic Europe and East and Balkan Europe.
Poland, Romania, Slovenia, and Slovakia) is somewhat higher in harmony and intellectual autonomy and lower in hierarchy than the Balkan and more Eastern culture (Bosnia-Herzegovina, Bulgaria, Georgia, Macedonia, Russia, Serbia, and Ukraine).

**Hofstede’s cultural dimensions**

Since the possible implications of Schwartz’s cultural value orientations on HRM processes and practices are rarely investigated in the relevant literature, in this paper we can only focus on past research which has successfully attempted to explain some of the variance in HRM practices across cultures by using Hofstede’s cultural dimensions. On the basis of surveying attitudes (in 1968 and 1972) of 116,000 employees within subsidiaries of IBM in 40 countries and 3 regions Hofstede (1980) proposed four basic cultural dimensions, largely independent of each other: (1) Individualism vs. Collectivism, (2) Power Distance, (3) Uncertainty Avoidance, and (4) Masculinity vs. Femininity (see Table 1). Individualism vs. Collectivism is measured by the Individualism Index (IDV) ranging from 0 (low Individualism, high Collectivism) to 100 (high Individualism). Power Distance is measured by the Power Distance Index (PDI) ranging from 0 (small PD) to 100 (large PD). Uncertainty Avoidance is measured by the Uncertainty Avoidance Index (UAI) ranging from 8 (lowest UA country) to 112 (highest UA country) in the selected sample of countries. Masculinity vs. Femininity is measured by the Masculinity Index (MAS) ranging from 0 (low Masculinity) to 100 (high Masculinity).

**Table 1. Hofstede’s cultural dimensions**

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<th>Cultural dimension</th>
<th>Description</th>
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<td>Individualism vs. Collectivism</td>
<td>Describes the relationship between the individual and the collectivity that prevails in a given society. In individualistic societies the ties between individuals are very loose. Everybody is supposed to look after his or her own self-interest and maybe the interest of his or her immediate family. This is made possible by the large amount of freedom that such a society leaves individuals. At the other end of the scale there are societies in which the ties between individuals are very tight. People are born into collectivities or in-groups that may be their extended family, their tribe, or their village. Everybody is supposed to look after the interest of his or her in-group and to have no opinions and beliefs other than those in their in-group. In exchange, the in-group will protect them when they are in trouble.</td>
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### Power Distance

The extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. Societies in which power tends to be distributed unequally satisfy the psychological need for dependence of the people without power. The autocracy exists just as much in the members as in the leaders: the value systems of the two groups are usually complementary.

### Uncertainty Avoidance

The fundamental issue is how society deals with the fact that time runs only one way. Some societies socialize their members into accepting this uncertainty and not becoming upset by it. People in such societies will tend to accept each day as it comes, they will take risks easily, and will not work as hard. They will be relatively tolerant of behaviour and opinions different from their own because they do not feel threatened by them. Such societies can be called “weak Uncertainty Avoidance” societies; they are societies in which people have a natural tendency to feel relatively secure. Other societies socialize their people into trying to beat the future. Because the future remains essentially unpredictable, in those societies there will be a higher level of anxiety in people, which becomes manifest in greater nervousness, emotionality, and aggressiveness. The security can be created in 3 ways: (1) by technology, which protect people from the risks of nature and war, (2) by law, and by the nomination of experts whose word is accepted as a kind of law because they are assumed to be beyond uncertainty, (3) by religion.

### Masculinity vs. Femininity

Refers to the division of roles between the sexes in society. In Masculine societies, the traditional masculine social values permeate the whole society even the way of thinking of the women. These values include the importance of showing off, of performing, of achieving something visible, of making money, of “big is beautiful.” In more Feminine societies, the dominant values—for both men and women are those more traditionally associated with the feminine role: not showing off, putting relationships with people before money, minding the quality of life and the preservation of the environment, helping others, in particular the weak, and “small is beautiful.” In a Masculine society, the public hero is the successful achiever, the superman. In a more Feminine society, the public sympathy goes to the anti-hero. Individual brilliance in a Feminine society is suspect.

*Source: Adapted from Hofstede (1983).*

According to Hofstede (1980) Power Distance scores are high for Latin, Asian and African countries and smaller for Germanic countries; Individualism prevails in developed and Western countries, while Collectivism prevails in less developed and Eastern countries and Japan takes a middle position. Masculinity is high in Japan, in some European countries like Germany, Austria and Switzerland, and moderately high in Anglo countries; it is low in Nordic countries and in the Netherlands and moderately low in some Latin and Asian countries like France, Spain and Thailand. Uncertainty Avoidance scores are higher in Latin countries,
in Japan, and in German speaking countries, lower in Anglo, Nordic, and Chinese culture countries.

In 1984, Bond surveyed 23 countries, of which 20 were also found in the original Hofstede study. Bond found four dimensions, but only three were the same as Hofstede’s dimensions, with Uncertainty Avoidance as the exception. By confirming three dimensions using a totally different survey instrument, Bond validated Hofstede’s earlier work. However, an additional dimension was found which Bond named Confucian dynamism and was later renamed by Hofstede (1991) as long-term versus short-term orientation. The former Yugoslavia was not included in Bond’s survey so data on this dimension of the Serbian national culture is not available.

Although Hofstede’s work has been criticized on a number of points and by various authors (Sondergaard, 1994; Tayeb, 1994; Gerhart, Fang, 2005), the usefulness and popularity of the categories he developed has meant that this theory remains very popular and is utilized by scholars in a variety of fields.

Hofstede’s original research into national cultures included the former Yugoslavia as the only East European socialist country. In the meantime, civil war broke out and Yugoslavia disintegrated into several independent states: Slovenia, Croatia, Macedonia, Bosnia and Herzegovina, Montenegro and Serbia. After the disintegration of Yugoslavia Hofstede broke down the original data into data on the national cultures of Slovenia, Croatia and Serbia (Hofstede, 2002). According to Hofstede (see Table 2) the Serbian national culture is characterized by high PDI, high UAI, Collectivism – low Individualism (IDV), and high to medium Femininity – low to medium Masculinity (MAS).

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<th>DIMENSIONS OF NATIONAL CULTURE</th>
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<td>POWER DISTANCE INDEX</td>
<td>76</td>
<td>86</td>
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<td>UNCERTAINTY AVOIDANCE INDEX</td>
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<tr>
<td>INDIVIDUALISM INDEX</td>
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<tr>
<td>MASCULINITY INDEX</td>
<td>21</td>
<td>43</td>
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Major differences exist between Serbian and Anglo-Saxon cultures in all the mentioned dimensions (Hofstede, 2001), which makes Serbia an incongruent cultural context for the implementation of Western (i.e. U.S.) management theories and practices.

3. SELECTED CULTURAL DIMENSIONS AND HRM PRACTICES: PROPOSITIONS FOR SERBIA

Within the framework of international HRM and cross-cultural research the issue of whether culture influences HRM practices and policies is frequently addressed. American scholars and practitioners perceive the cultural context as increasingly important for the purpose of effective human resource management in highly diverse US organizations (Stone, Stone-Romero, 2008). The majority of studies have focused on comparative differences in HRM practices between different countries, lacking a priori explanations for the cultural bases of observed differences (Aycan, 2005, p. 1083). Many studies, on the other hand, are addressing the HRM practices within a national context. There is a growing body of work focusing on the transfer of managerial and organizational practices across countries through the operations of multinational companies (Ferner, 1997, 2003; Gooderham et al., 1998; 2006; Schuler & Rogovsky, 1998; Harzing, Sorge, 2003). The most thoroughly studied countries are the USA, UK, Japan, France and Germany (Clark et al., 1999, p. 526), with no comprehensive study of HRM practices in the Central and Eastern European transition economies (Zupan & Kaše, 2005, p.883).

A few studies have addressed the implications of the cultural dimensions on HRM management processes and practices that can be applied to any country or organizational context. Some authors argue that the degree of cultural impact on HRM practices differs according to the specific practice, with some practices being more culture-bound than others (Easterby-Smith et al., 1995; Sparrow, Wu, 1998), although research has produced contradictory results. For example, Easterby-Smith et al (1995) observed UK and Chinese companies and found most differences in the “softer” areas of HRM where relationships are important, such as performance appraisal, selection criteria, reward systems and industrial relations, whereas the planning was not considered as culture sensitive. In contrast, Sparrow and Wu (1998) could not identify a closer relationship between cultural values and “soft” areas of HRM; instead, they found that hard HRM practices such as planning, staffing and training are more culture-bound than career development, performance appraisal, work design and reward systems.
Such contradictory evidence points to the fact that any new research on cultural variations of HRM practices across cultures has again to take a global focus and include all “soft” and “hard” HRM practices. For the purpose of this paper we are going to focus on the influence on HRM practices of four of Hofstede’s cultural dimensions that have not yet been investigated in the Serbian context: job analysis, recruitment, selection, human resource planning and career management.

**Job analysis**

Job analysis refers to the process of obtaining detailed information about jobs: their activities and how they should be performed (i.e. job description), and what specific skills, abilities, knowledge and other physical and personal characteristics are necessary to perform a job (i.e. job specification) (Tiffin, McCormick, 1958; McCormick, 1979).

Research into cultural influence on job analysis is very scarce. Aycan (2005), who summarized the little research evidence about cultural variations of job analysis, found out that job analysis may be affected by three of Hofstede’s cultural dimensions: Uncertainty Avoidance, Individualism vs. Collectivism, and Power Distance. These three dimensions affect the specificity of job description and job specification, the unit of analysis and the method of job analysis.

Uncertainty Avoidance and role formalization are positively correlated; a higher degree of Uncertainty Avoidance in the national culture leads to a higher degree of formalization of roles within the organizational structure, and vice versa (Hofstede, 2001). Thus, in a high Uncertainty Avoidance culture job descriptions and specifications are likely to be detailed, narrowly defined and unchanging for a longer term, in order to reduce role ambiguities. In contrast, in low Uncertainty Avoidance or high Power Distance cultures job descriptions and specifications are not too specific; it is expected that work is more dynamic, and job boundaries are likely to be permeable (Aycan, 2005).

In large Power Distance cultures, organizations centralize power as much as possible in a few hands and subordinates expect to be told what to do (Hofstede, Hofstede, 2005, p. 55). There is frequently role ambiguity and overload, so the employees and managers often feel that they do not have clearly planned goals and objectives, and they do not know what exactly is expected from them and what their responsibilities are (Hofstede, 2001, p. 106). Therefore in such cultures jobs are defined in broader terms, so that supervisors have more freedom to ask employees to do a variety of different jobs; in addition, there is a heavy reliance on
supervisory guidance in performing jobs, and this may reduce necessity to have specific job descriptions: the managers and supervisors are expected to provide information about job duties, responsibilities and desired worker characteristics (Aycan, 2005, p. 1100).

In collectivistic cultures the unit of analysis in job descriptions is the work group rather than the individual employee, so individual accountabilities are blurred; teamwork and good interpersonal relationships with co-workers are expected. In contrast, in individualistic cultures job descriptions are prepared for individual workers (Aycan, 2005).

However, Aycan (2005) suggested that besides cultural contingencies institutional/structural contingencies also influence the nature of job analysis (such as the size of organization, the degree of unionization, the nature of the job etc.).

Regarding the possible implications of the Serbian national culture on the nature of job analysis in Serbian organizations that are likely to be considered as appropriate, it seems that high Uncertainty Avoidance and large Power Distance would have contradictory influences on the variations of job analysis. The former implies detailed and specific job descriptions and specifications whereas the latter implies the opposite. Having in mind that the degree of formalization is quite low in Serbian companies, in spite of high Uncertainty Avoidance (Janičijević, 2003), it seems that the Power Distance seems to have a stronger influence on the specificity of job descriptions than the Uncertainty Avoidance. According to Janičijević (2003) two other cultural dimensions – Individualism vs. Collectivism and Masculinity vs. Femininity - modify the influence of Uncertainty Avoidance on the degree of formalization and bureaucratization of the organizational structures (p. 59). This actually means that Power Distance, Collectivism and Femininity in the Serbian national culture together produce a lower degree of formalization of roles in Serbian organizations than would be expected in high Uncertainty Avoidance societies. This further leads to the conclusion that in high Uncertainty Avoidance cultures both Collectivism and Femininity are likely to be crucial for reducing the role ambiguities through social rather than administrative control (built-in bureaucratized organizational structure). In addition, less formalized roles allow Serbian managers to have more freedom and authority over the employees in defining their job duties, which is congruent with large Power Distance in the Serbian national culture. Since there is a lack of research on job analysis in Serbian companies, on the basis of the above presented discussion, the following can be proposed:
Proposition 1: The specificity of job analysis in Serbian organizations is likely to be very low; the job descriptions and specifications will be less specific and detailed, and defined in broader terms.

Proposition 2: In Serbian organizations it is likely that the managers and supervisors are expected to provide information about job duties, responsibilities and desired worker characteristics for the purpose of job analysis.

Recruitment

Human resource recruitment is defined as any practice or activity carried out by the organization with the primary purpose of identifying and attracting potential employees (Barber, 1998; Noe et al., 2006). The goal is to attract the qualified candidates in a number that will allow the organization to select the best ones to fill the vacancies.

The culture influences multiple aspects of the recruitment process, so only those recruitment methods and practices that fit the culture are likely to be effective. Numerous studies have focused on several aspects of recruitment, including the methods of recruitment and recruitment sources. The majority of studies have focused on the influence of only two of Hofstede’s cultural dimensions: Collectivism vs. Individualism and Power Distance.

Regarding the method of recruitment, it is argued that Collectivism promotes preferences toward internal recruitment and informal and network-based recruitment channels, such as employee referrals, networking events, job fairs etc. making them more desirable than newspaper ads or e-recruiting (Aycan, 2005; Stone et al., 2008). Past studies have shown a positive relationship between in-group collectivism and word-of-mouth (Lee, 1999), especially since this method of recruitment is believed to increase commitment and loyalty (Bian, Ang, 1997). Limited use of external recruitment sources in collectivistic cultures is often explained by the fact that it is difficult for externally recruited candidates to get into strong social networks and cope with the resistance following their appointment, especially in cases where an internal candidate is supported (Bjorkman, Lu, 1999).

However, some authors argue that recruitment through newspapers is positively related to the dimensions of Uncertainty Avoidance (Smith, Robertson, 1989) and not to Collectivism. Moreover, according to Papalexandris and Panayotopoulou
(2004), Power Distance and in-group Collectivism are negatively correlated to the use of internal recruitment for junior managers. They even discover that the relationship between in-group Collectivism and internal recruitment is negative for junior managers and non-significant for the remaining management categories. They found that the use of consultants in the recruitment process of senior managers positively related to Uncertainty Avoidance.

Some studies discover that the level of Collectivism is associated with a high probability of using a “males only” advertisement (Lawler, Bae, 1998). The individuals who emphasize Collectivism will be more likely to prefer jobs that offer them opportunities to work as part of a team, form relationships with others (e.g. coworkers, supervisors), and gain job security; they may prefer positions in organizations that stress cooperation and helping others rather than individual competitive achievement (Stone, Isenhour & Lukaszewski, 2008; Blancero & Blancero, 2001; Triandis, Marin, Hui, Lisansky & Ottati, 1984). Further, individuals who valued Collectivism were more likely to prefer working in a diverse organization than those who emphasized Individualism (Stone et al, 2006).

Budhwar and Khatri (2001) suggest that collectivistic and high power distant countries tend to place greater importance on recruitment criteria, such as ascribed status and socio-political connections, than on “hard criteria” like knowledge, skills and abilities. Stone et al. (2008) suggest that individuals with high levels of Power Distance values will be more likely than those with low levels of Power Distance to believe that jobs offering opportunities for advancement and status attainment are desirable (p. 40).

With regard to Serbia, past research implies that large Power Distance, high Collectivism and high Uncertainty Avoidance are likely to have the most prominent roles in designing appropriate recruitment practices. Evidence indicates that due to high Collectivism and high Power Distance it can be expected that Serbian organizations prefer internal recruitment. The only exception might be recruitment of junior managers due to the large Power Distance. When recruiting senior managers externally, it appears that Serbian organizations should use consultants to reduce possible risks and uncertainties with external candidates. When it comes to advertising the job, the literature overview indicates that it is likely that Serbians would prefer jobs that offer them opportunities to work as part of a team, form relationships with others (e.g. coworkers, supervisors), and gain status and job security, due to high Collectivism and high Uncertainty Avoidance. Due to the high Collectivism, it seems that among various employers
Serbians are more likely to select the organizations that stress cooperation and helping others rather than individual competitive achievement. Among various recruitment sources, Serbians who are searching for a job will prefer employee referrals, networking events, word of mouth and job fairs to newspaper ads and e-recruiting, due to high Collectivism in the Serbian national culture. Therefore, we may propose the following:

**Proposition 3:** In Serbian organizations internal recruitment is more desirable than external recruitment, with the exception of junior managers.

**Proposition 4:** If senior managers are recruited externally, Serbian organizations are likely to use the services of consultants in order to reduce the risks related to external candidates.

**Proposition 5:** Among various recruitment methods, Serbian organizations are likely to focus on employee referrals and word of mouth, networking events, and job fairs rather than on newspaper ads and e-recruiting.

**Proposition 6:** When recruiting job candidates Serbian organizations are likely to stress job opportunities such as working as a part of team, forming relationships with others (e.g. co-workers, supervisors), advancement, status attainment and job security more than individual competitive achievement.

**Selection**

Recruitment, whereby a pool of possible candidates is generated, is followed by the selection of job applicants. Selection is the process of assessing job applicants using one or a variety of methods with the purpose of finding the most suitable person for the organization. It is the process of measurement (ensuring that selection tests are reliable and valid), decision-making (combining information about a person to make a hiring decision), and evaluation (making sure that hiring decisions increase the efficiency and the profitability of the organization) (Fisher et al., 1993, pp: 262-263). The goal of selection process is to predict the future working behaviours of the job applicants.

Several studies have investigated the influence of all four of Hofstede’s cultural dimensions. Many of them point out that in collectivist cultures selection on
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the basis of test scores will be rare (Ramamorthy, Carroll, 1998, p. 574) whereas selection on the basis of recommendations by an in-group member (Triandis, Arzu Wasti, 2008; Hofstede, Hofstede, 2005) and “socially constructed methods” such as meetings, unstructured interviews, dinners, etc. will be more common (Stone et al., 2008). On the other hand, in individualistic cultures employers are more likely to select applicants on the basis of whether they have the necessary task abilities and skills and to choose measures on the basis of their validity in assessing these attributes (Rousseau, Tinsley, 1997; Bernardin, Russell, 1998). According to Aycan (2005), some of the most common criteria for selection in North America include education, past experience, personality traits and cognitive skills. Employee selection in collectivistic cultures is person-centred, focuses on the fit of the recruit with the rest of the company (Rousseau, Tinsley, 1997, p. 47) and whether they can be trusted and are loyal (Triandis, Bhawuk, 1997), and knowledge of the company is rated high in evaluating job applicants (Peppas et al., 2001). According to Hofstede (2001), in collectivistic cultures the relatives of employer and employees are preferred in hiring (p. 244). Regarding the interview, which is the most popular and essential selection instrument, studies indicate that highly structured, bureaucratic interviews are less likely in collectivistic and more likely in individualistic cultures (Spence, Petrick, 2000).

Uncertainty Avoidance influences organizations to use more structured selection practices (Stohl, 1993). However, Ryan et al. (1999) found a less extensive selection process and less use of procedures to verify applicant backgrounds in high Uncertainty Avoidance cultures. One explanation for this may be that high UA cultures trust the use of social connections and relationships in assessing applicants more than scientifically validated and impersonal selection procedures (Dipboye, Johnson, 2008).

The strong influence of Power Distance on the selection process is rarely proved in the relevant literature. However, some studies argue that educational qualifications are more important in hiring in large Power Distance cultures, possibly because of the emphasis those countries place on status (Ryan et al., 1999).

There is more evidence regarding the influence of the Masculinity vs. Femininity dimension on the selection process. Countries high in Masculinity have strong gender stereotypes for men and women and value material success, assertiveness, heroism, and strength; feminine cultures have more overlap in the social roles of men and women and value to a greater extent quality of life, relationships, caring for the weak, and modesty (Dipboye, Johnson, 2008, p. 65). The goal of selection procedures in feminine cultures is to hire individuals who have positive
relationships with others (Nagore, as cited in Dipboye, Johnson, 2008). In such cultures personality tests are more frequently used in selection than cognitive ability tests, whereas in a masculine culture, the reverse is true (Ryan et al., 1999). In masculine cultures there is a greater use of highly structured interviews with uniform guidelines, little personal interaction, and the same questions asked of each candidate (Spence, Petrick, 2000). In feminine cultures selection methods are not standardized, broad-ranging and rely on face-to-face interaction (Aycan, 2005, p. 1089).

On the basis of the above evidence it seems that Serbian cultural dimensions are likely to have a matching influence on the nature of the selection process. Hofstede and Hofstede (2005) argue that many countries high on the PDI score are low on the IDV, and vice versa, meaning that the two dimensions tend to be negatively correlated (p. 82). This is the case with Serbia, where large PDI, high Collectivism and Femininity seem to promote non-standardized selection processes and methods, which rely on face-to-face interactions, recommendations by in-group member, unstructured interviews, personality tests and informal meetings. In such cultures the most desirable selection criteria are likely to be the following: personality traits (supported by Femininity), education background (supported by large Power Distance), loyalty and fit of the recruit with the rest of the company (supported by Collectivism). Therefore, we may propose the following:

**Proposition 7:** The selection process in Serbian organizations is likely to be neither standardized nor formalized, and with no clear selection procedure and rules.

**Proposition 8:** The selection criteria in Serbian organizations are likely to include the following: personality traits (such as cooperativeness), educational background, loyalty, and fit of the recruit with the rest of the company.

**Proposition 9:** The most appropriate selection methods in Serbian organizations for conveying information about the job applicants are likely to include the following: unstructured interviews, recommendations by in-group members, and personality tests. Use of structured interviews, assessment centres, and cognitive ability tests will be rare.
Human resource planning and career management

Human resource planning (HRP) is the process of forecasting the supply of and demand for various types of human resources on the basis of anticipated trends in an external and internal organizational environment within a defined period of time. HRP consists of forecasting (determining labour demand and labor supply), goal setting and strategic planning, and programme implementation and evaluation (Noe et al., 2006, p. 177).

Career management is the process through which the aspirations and abilities of employees are assessed, and their personal development is planned and guided, in line with the opportunities available in the organization. Within the HRP process the organization should identify long-term priorities and demand for various types of human resources, so career management has to be integrated and closely related to the HRP process. Career management allows talent to be identified and employees to be placed in jobs where their skills can be used effectively (Heery, Noon, 2001, p. 34).

Although past research reveals mixed findings as to whether the HRP process is culture bound or not, there is extremely limited evidence on the influence of Hofstede’s cultural dimensions on HRP practices. Overall, past studies (Aycan, 2005) propose that in the large Power Distance cultures systematic and participative HRP may not exist or is rare, short-term oriented and conducted with high flexibility, due to the centralization of the HRP decision-making process: HR plans may frequently change to accommodate the requests of high-level executives. In contrast, in low Power Distance cultures HRP is conducted with the involvement and input of all line managers and is a long-term, systematic and rational approach to human resource and career planning.

Regarding career management, past studies have mainly focused on promotion criteria across cultures. For example, Schaubroeck and Lam (2002) suggest similarity in personality and good relationships with peers as significant predictors of promotion decisions in individualistic cultures, and similarity in personality and good relationships with superiors as a significant predictor of promotion decisions in collectivistic cultures. In collectivistic and high Power Distance cultures promotion criteria include: good interpersonal relationships with superiors, seniority (tenure), loyalty and commitment to the organization (Aycan 2005; Gomez-Mejia, Welbourne, 1991). In addition, Hofstede & Hofstede (2005) argue that in high Uncertainty Avoidance cultures managers should be selected on the basis of seniority (p. 160). In collectivistic cultures and high
Uncertainty Avoidance cultures in-group favouritism in promotion decisions is likely to occur (Hofstede, Hofstede, 2005, p. 104; Hofstede, 2001, p. 160). In small Power Distance cultures or individualistic ones promotion decisions are primarily based on merit, that is, high performance, job achievement and significant contribution to the organization. Merit or performance based promotions contradict the collectivistic values emphasizing group performance, group harmony, intra-group cooperation, and collective interests (Gomez-Mejia, Welbourne, 1991), so a higher collectivistic orientation will be negatively related to preferences for promotion systems based on merit (Ramamorthy, Carroll, 1998). In high Uncertainty Avoidance cultures company loyalty is seen as a virtue (Hofstede, 2001, p. 160).

Regarding institutional/structural contingencies Aycan (2005) proposed that HRP will be short-term oriented in an environment characterized by high socio-economic and political instability and a low-quality workforce; HRP will be guided by business necessities in private organizations and by social necessities in the public sector (e.g. to combat unemployment). A strong union presence, according to Aycan, correlates positively with seniority-based promotions and career planning.

As regards Serbia, past research indicates that high Power Distance and Collectivism are likely to have the strongest influence on HRP and career management practices in Serbian organizations. The influence of these two Hofstede dimensions is also consistent with Aycan’s view of structural/institutional contingencies, since Serbia is still recognized as socially, economically and politically unstable and as a high-risk country. Therefore the following can be proposed:

**Proposition 10:** The HRP process in Serbian organizations is likely to be very rare, short-term oriented, centralized, and conducted with high flexibility.

**Proposition 11:** The promotion criteria in Serbian organizations are likely to include the following: seniority, good interpersonal relationships primarily with superiors, in-group favouritism, loyalty, and commitment to the organization.
The Influence of Culture on Human Resource Management

CONCLUSIONS

In this paper we address the cultural variations of HRM practice based on Hofstede’s cultural dimensions by reviewing the relevant literature. A wealth of international HRM research confirms that the approaches to investigation of cultural influence on HRM practices vary, from investigating HRM practices within MNC, across studying variations of HRM practices across countries, to single country studies aiming to draw conclusions with home-country implications, which is in line with findings of Kiessling and Harvey (2005). Available evidence also indicates that among various studies the research dedicated to building a framework of the cultural contingencies of HRM that could be applied to any country or organizational context is very scarce. Although few, the available studies offer very mixed findings and quite contradictory evidence on two issues: (1) whether some HRM practices are more culture bound than others, and (2) how to separate the influence on different HRM practices of four of Hofstede’s cultural dimensions (e.g. variations of some HRM practices are sometimes explained by the influence of one dimension and sometimes by the influence of the other). Additionally, there is a challenge for interpretation in the case of a single country when the influences of cultural dimensions on HRM practices contradict each other.

In the case of Serbia the task was simpler since in the majority of studies the most investigated of Hofstede’s dimensions are Power Distance and Individualism vs. Collectivism, which if adequately aligned appear to have complementary influence on HRM practices – large Power Distance with Collectivism, and small Power Distance with Individualism, which is in line with the notion of Hofstede & Hofstede (2005) that these two dimensions are negatively correlated. On the basis of Serbian cultural dimensions (high Uncertainty Avoidance, high Power Distance, Collectivism and Femininity) we put forward 11 propositions about likely appropriate HRM practices for Serbian organizations, which may have important implications for Serbian HR practitioners and help them in implementing Western HRM practices within the specific, quite incongruent cultural context. The suggested propositions may also make a contribution to the countries or organizations that have similar cultural characteristics to Serbia in their attempt to adapt Western HRM practices to fit their culture and local conditions (Huo et al., 2002). The propositions may also be of particular interest to multinational companies, expatriate managers, and culturally diverse workforces. Globalization needs the successful management of diversity, therefore multinational companies with worldwide subsidiaries need to recognize and appreciate the impact of culture on organizational values and practices to be able
to successfully transfer management know-how to various local units (Aycan et al., 1999).

However there are several limitations to this study that should be recognized. Firstly, we could only rely on studies of cultural variations of HRM based on Hofstede’s cultural dimensions, since they have been empirically documented for the Serbian national culture. This limited us in addressing the issue of cultural variations of HRM by using the cultural dimensions offered by other prominent scholars. However we believe that this paper contributes to the existing knowledge by summarizing and comparing findings about the influence of four Hofstede cultural dimensions on various HRM practices. Secondly and most importantly, this study lacks empirical research to confirm the proposed hypotheses about appropriate HRM practices in the Serbian cultural context. Some studies (Gerhart, Fang, 2005) argue that the differences in culture across organizations within countries are larger than the differences across countries, implying that certain HRM practices may not be effective when simply based on national culture. However very little work has been done on HRM practices in Serbia, so this paper presents a framework for addressing this issue in-depth. We believe that future research should expand on the present investigation by testing these propositions on a relevant sample of Serbian organizations.

REFERENCES


McCormick, E.J. (1979), *Job Analysis: Methods and Applications*, New York, AMACOM.


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