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CROSS-CULTURAL HUMAN RESOURCE MANAGEMENT

Case Company: Penta Chutian Laser
Equipment Co., Ltd

Business Economics and Tourism

2010

FORWARD

Actually, I started working on the thesis in December of 2009, and finished it at the end of February, 2010. Before starting, I was thinking which topic I would like to analyze and which company I could contact for help in the case study. I chose Coca-Cola Great China Company as the case company since whatever my topic it would be, the love for Coca would never change. Because of personal interest, I would like to talk about Human Resource Management at Coca-Cola Great Company. Later some cultural problems happened to me during the time when I was preparing for my thesis in Finland, cross-cultural issues came to me as the topic I need to research. Then, the combination of Cross-culture and Human Resource Management became my topic, even I was not lucky to have the opportunity of taking Coca-Cola Great China into my first thesis.

I would like to thank my mother for her support since she lost the chance to be with me for the Spring Festival (the Chinese New Year) because of the thesis; I would like to thank Mr. Wu in Penta Chutian Laser Equipment Co., Ltd for sacrificing his time and active help, and also thank all the employees of Penta Chutian Laser Equipment Laser Equipment Co., Ltd who contributed to my thesis.

Moreover, I want to thank Ms. Rosmeriany Nahan-Suomela. She was so responsible for every little step forward as she and sacrificed her time whenever I needed any help. What's more, she gave valuable guidance and many comments when I was confused and lost in my papers.

Pu Jing

February 15, 2010.

ABSTRACT

Author	Pu Jing
Topic	Cross-Cultural Human Resource Management, Case company: Penta Chutian Laser Equipment Co., Ltd
Year	2010
Language	English
Pages	71+ 2Appendix
Name of Supervisory	Rosmeriany Nahan-Suomela

In the 21st century, many international companies have rushed into China. In the fierce competition, the winners will be companies who know China and Chinese people. Cross-cultural Human Resource Management becomes a “must” for international companies in this situation. There is much literature about Cross-Cultural Human Resource Management, but they discuss in this field generally instead of specifically guilds for international companies; in real practice, there are many companies lost managing cross-cultural human resources, which will lead them to the fail.

The aim of the study is to get a clear picture of cross-cultural human resource management and therefore knowing how to managing the harmonious working relationship between expatriates and local employees by analyzing problems consist of the concept of cross-cultural human resource management. Problems exist between expatriates and local employees, and how to manage cross-cultural human resource management.

In order to reach the aim, I applied “Five Culture Dimensions” theory by Professor Geert Hofstede to analyze the differences in culture between countries, so that to conclude problems which may exist in the case company due to those differences. Moreover, I used both qualitative and quantitative methods which applied a questionnaire done by employees in the case company and an interview made with the General Manager. The two results were combined and concluded to a final result that the employees in younger age, longer working experiences, richer international experiences have fewer cross-cultural problems, and they have cultural problems regarding individualism and Long-term Orientation.

Key Words: Cross-cultural Human resource management, Cultural Dimensions

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1. INTRODUCTION

This chapter presents the background of the study, which reminded me of doing this research, and literature reviews which encouraged me to conduct the research, the research aim, problems and methods, which guided me to complete the research, and finally the limitations which presented the limitation elements which stopped me from reaching the research goals.

1.1 Background of the study

When the world entered the 21st century, globalization went on the stage to perform the drama of marketing globalization. Companies hurried to go abroad in order to gain more profit from customers all over the world, expanding themselves to have more market share, and learning experiences from other multinational companies. The market is now defined as the global market, which shares the customers from all over the world. The market globalization is bringing the multinational enterprises much more opportunities and profit, but also bringing them much fierce competition.

In the fierce competition environment, the international companies that do everything they can do to survive in the battle have to promote and strengthen themselves internally as the first step. For the vast majority of organizations, the cost of the people who do the work is the largest single item of operating costs that can be controlled and adapted to circumstances. Increasingly, in the modern world the capabilities and the knowledge incorporated in an organization's human resource management are the key to success. On both the cost and benefits sides of the equation, human resource management is crucial to survival, performance and success of an enterprise. [Brewster, 2002: 126] Just like a troop, only when the soldiers do the best, can the troop have the best possibilities to win the battle. To the point of internal promotion, human resource management plays the main role in management, because nothing can be done without human resources, and talented people who do the best can do in the right position give wings to the

company in the international competition. Further, the human resource management of foreign subsidiaries or foreign joint ventures becomes the key of international human resource management for international enterprises. Unfortunately, the parent company or expatriates have not done very well in this part of management: when entering into a foreign country, the culture differences have shown in every aspect of doing international business, ignoring culture differences has cost a lot for a multinational enterprise, which lead to failure in competition.

1.2 Literature review

There are many researchers who dedicate themselves to the International Human Resource Management, Human Resource Management, and Cross-cultural Management. These research areas are highly concerned, just like people paying attention to globalization. Boxall (1995) has analysed clearly the distinction between comparative human resource management and international human resource management; Schuler et al (1993) gave a clear picture of an integrative framework for the study and understanding of strategic human resource management; Heenan and Perlmutter (1979), Adler and Ghadar (1990), Doz and Prahalad (1986), Dowling and de Cieri (1993) have proposed detailed models of how International human resource management fits into the overall globalization strategy of organizations. What's more, Sackmann (1997) has analyzed the cultural complexity in an organization, which shows that different cultures with different identities in organization members will influence much on the organization culture.

There are many researches, about international human resource management, who are close to my topic, cross-cultural human resource management that is more specific under international human resource management. Brewster (2002) argued that the majority of studies in International human resource management have traditionally focused on expatriation: the cross-border assignments of employees that last for a significant period of time. However, there are few researches talking

about the harmonious working relationship between the expatriates and local employees. Therefore, my topic is valuable to study.

Penta Chutian Laser Equipment Co., Ltd is a new joint venture established by Chutian Laser and Italy Cutlite Penta. Penta Chutian supplies domestic and international customers with high power laser processing machines and necessary equipment. Since Penta Chutian Laser Equipment Company is quite a new joint venture by a Chinese and an Italian company established in 2007, cross-cultural human resource management in Penta Chutian Laser Equipment Company is in an immature period. To take it as a case company would be very valuable. [<http://www.pentachutian.com/english/index.asp>]

1.3 Aims, Research problems and methods

After reading this thesis, the readers will have a better and clearer picture of Cross-cultural Human Resource Management, including the definition, characters, environment it lives in, management problems and difficulties, together with some solutions.

The research problems are:

- a. What is Cross-cultural Human Resource Management? What characters does it have?
- b. What problems may exist between expatriates and local employees in international companies regarding Cross-cultural Human Resource Management?
- c. How can we manage Cross-cultural Human Resources?

The research methods:

I will use quantitative method through questionnaires to study how employees of Penta Chutian Laser Equipment Limited Company view about the degree of harmonious of working relationships between them and the foreign expatriates in

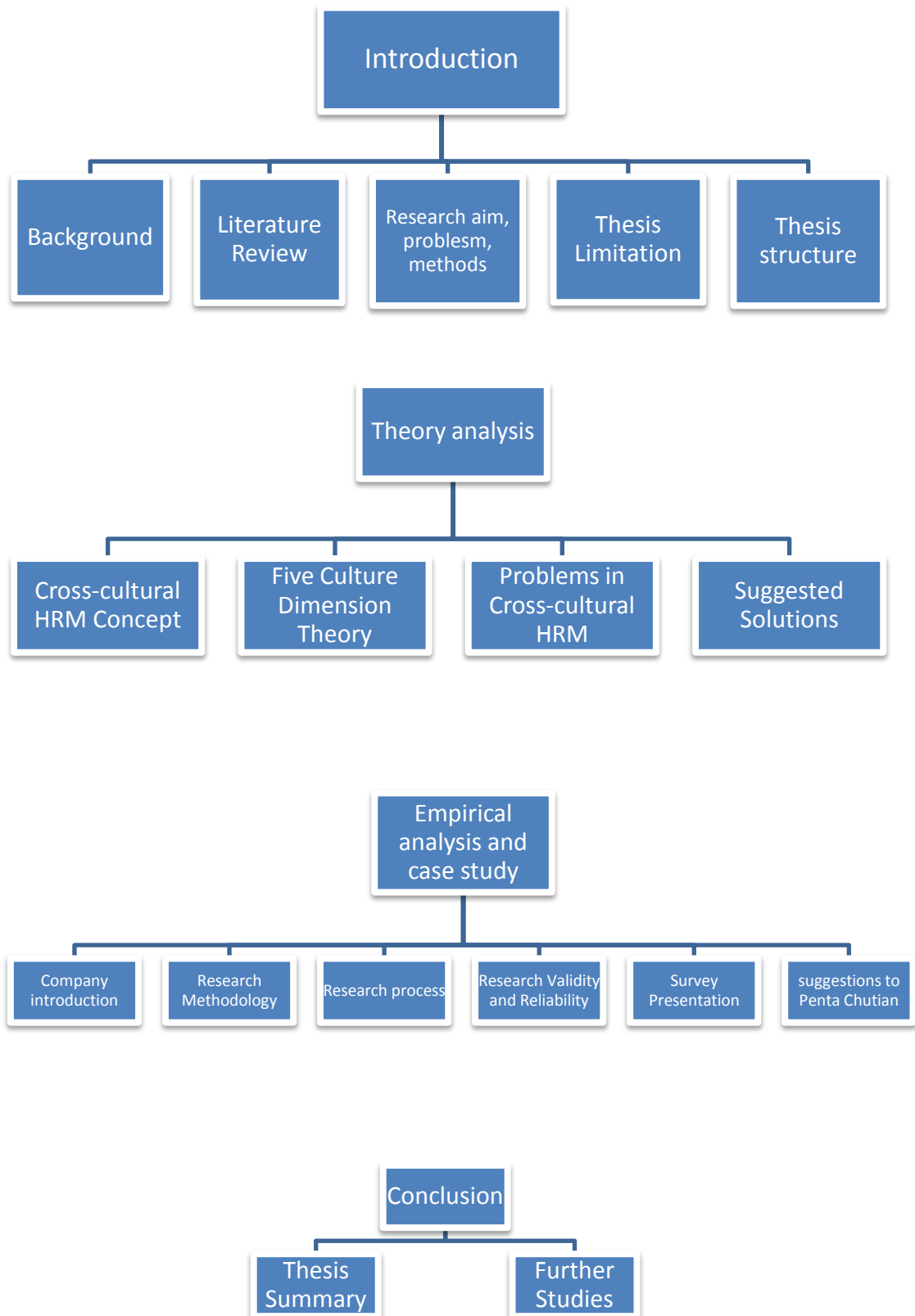
cross-cultural working environment; and use qualitative method in an interview with the General Manager of Penta Chutian Laser Equipment Limited Company to example what cross-cultural human resource problems they are facing and how they manage the cross-cultural human resources in real practices.

1.4 Limitation of the thesis

In this thesis, I will focus on one theory (Hofstede, Five Culture Dimensions) to analyze the problems that exist in cross-culture human resource management for the case company, Penta Chutian Laser Equipment Co., Ltd. Because in my view, there are no theories can be used to analyze a country's cultural habits and behaviours as, everyone is different, we can just point out some representative characters of a country. Even though there are some queries from many academic members, Professor Geert Hofstede is the one who concluded a relatively comprehensive culture dimension theory. As the case company is a joint venture of a Chinese laser company and an Italian engineering group, the theory analysis using Hofstede culture dimension will only focus on China and Italy. Unfortunately, the scores obtained from Hofstede official webpage about China are all estimated scores.

On the other hand, since there are not so many resources to analyze the Italian culture regarding Hofstede is culture dimensions, and I want to know whether the scores from Professor Geert Hofstede researched are still correct, I will be loyal to his research scores to analyze the problems which may exist regarding cross-cultural human resource management, and combine my analyzed results and my survey results gained from by Penta Chutian Laser Equipment Company employees and managers to see how it goes.

1.5 Structure of the study



2. THEORY ANALYSIS

In this Chapter, I will introduce related definitions and concepts about cross-cultural human resource management. These concepts will help understand cross-cultural human resource management deeply and comprehensively and further build a clear picture of it. After the concepts studying, I will apply the “Five Culture Dimensions” from Professor Geert Hofstede to analyze each culture dimension separately between China and Italy, in order to analyze the cultural differences between them in each cultural dimension of, Power Distance, Individualism, Masculinity, Uncertainty Avoidance Index, and Long-term Orientation. By this, I can get a series of problems regarding harmonious working relationship between Italian expatriates and Chinese employees in cross-cultural human resource management.

2.1 Understandings of Cross-cultural Human resource Management

To understand Cross-cultural Human resource management, I think it is a good way to look at this term separately, cross-culture management, and human resource management. Chapter 2.1.1 will introduce Cross-cultural management, which consists of its definition and history, Chapter 2.1.2 will introduce Human resource management, which consists of its development, functions, and the concept of International Human resource management.

2.1.1 Cross-cultural management

To understand what cross-cultural management is, it is good to see the terms separately: cross-culture and management. Cross-culture could easily be understood literally, from one culture to another. Cross-culture is a phenomenon born by market globalization; company goes out of their country to another to do business, brings their culture with the companies to another culture, which means cross-culture. Every country has its own culture, it is maybe similar to another one, but they are not the same. Culture is different by its contents and forms, 10% of

which is what you can see, such as language, behaviour, food and dressing, 90 % of which is what you cannot see, such as beliefs, values, and ways of thinking [McClelland, 1973: 1-14]. Cross-culture shows in the differences of the 10% visible and 90%invisible culture content. International companies are a good example of cross-culture; they do business internationally, every time they enter into a new country, cross-culture happens with it.

There are lots of definition given to Management, Frederick Winslow Taylor thinks that management is to command others to use the best way that can be used to work; Herbert A. Simon gave management a definition of decision-making; Henri Fayol thinks that management is a kind of human activities that all organizations have, it consists of five elements: planning, organizing, directing, coordinating and controlling. Therefore, I conclude them to a definition of management: management is the process of achieving established organizational goals by effective planning, organizing, directing, coordinating, and controlling of the organizational owned resources in a particular environment. [Taylor, 1911: 25-114; Simon, 1960: 1-50; Fayol, 1998: 1-157]

After clearly see the definition of cross-culture and management, we will understand more easily the definition of cross-cultural management. Cross-cultural management is a process of achieving established organizational goals by effective planning, organizing, directing, coordinating, and controlling of the organizational owned resources in a cross-cultural environment. To detail, since management differs in different environments, for cross-cultural management, before planning, the manager should clearly understand the differences and similarities of his/her own culture and the destination's culture so that he/she can overcome the conflicts generated from culture differences; during the process of management, the manager also needs to learn and promote the way of management according to the new knowledge he/she learns from the cross-culture management experiences.

Cross-cultural management is not a new concept; it is originated in the ancient international trade and business exchanges.

As early as the ancient times, the ancient Egyptians, Phoenicians, and Greeks began overseas trade, and knew how to do business with people with different cultural backgrounds. To the Renaissance, the Danish, British, and other European merchants had established a worldwide commercial group; when they were dealing with people from other cultural backgrounds, they would be sensitive with their language, beliefs and habits to avoid the conflicts so that they could achieve smooth transactions. These are businesses and activities engaged in cross-cultural management in early times, which were entirely depended on the business experiences of those merchants without any cross-cultural management researches. The direct reason of making cross-cultural management a science is the failure experiences of international trades of American multinational enterprises. The American management scholars thought the Americans were the ones who concluded the management theories systematically, who proposed the idea of scientific management firstly, and who applied the ideas to management practices and improved a significant labour productivity, so their management theories and practices should no doubt be applicable universally. However, the facts of failures proved that it was hard to achieve success if the American multinational enterprises copied the theories directly and pasted in the business activities in other countries. Meanwhile, many cases had proved that the retardation of culture differences and lack of culture knowledge of destination has led to the failure of American multinational enterprises. Therefore, the Americans have had to learn from the experiences of other countries and explore the reasons of failures in cross-culture management perspective, which has resulted in the new study filed of cross-cultural management. [Wang, 2009: 1-2]

2.1.2 Human Resource Management

To take a look at the definition of Human Resource Management, we have to take a clear look at what Human Resource is. There is an old Chinese saying: every man has his gift, it means that everyone is useful to society, and everyone is talented in some field, but sometimes, you just don't know what gift you have in your hand. A philosophy of people management is based on the belief that human

resources are uniquely important in sustains business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. Human resource management is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competences. [Price, 2004:32-35] But to give a clear definition to human resource management is not an easy thing, some authors (de Kok, 2003:1-16; Legge, 1995:220-241) preferred to explain what is included in human resource management instead of a clear definition. I think, Human Resource Management is policies that a company has, and activities that it takes which include Job analysis and design, staff recruitment and selection, training and development, performance management, employees safety and health management , compensation management, staff motivation, labour relations management, and labour relations management; we conclude those activities as the modern management methods of enterprise to obtain human resources (selection), development (education), keep and use (employment) etc, which carried out by planning, organizing, directing, coordinating, and controlling to achieve the goal of a enterprises development (de Kok, 2003:1-16).

Development:

The human resource development in different countries is different. In general, the academic development of human resource has experienced three stages: Personnel Management, Human Resource Management and Human Capital Management. The main difference among those three is located in the changes and development of concept that companies deal with their staff. In personnel management stage, the personnel manager's work is to manage employee benefits, as well as the legal proceedings of the trade unions. The upper manage departments regard all the activities and employees a large amount of net spending, so they try their best to decrease these consumptions; the company doesn't hold a positive or supportive attitude to the activities of the company's Personnel Department. In human resource management stage, employees are seen as value-added assets and

developed in order to take full advantage of their potential by a company. The human resource management department makes full use of job analysis, staff selection and recruitment, and staff training to increase the efficiency of employees, thereby improving efficiency of the enterprise management and operation; when the human resource management strategy is worked on in a company, the human resource management department is seen as one of the most important component of the company strategy, which is supporting the market expansion, new market development, and company's future development; human resource is regarded important of increasing the competitiveness of a company. In human capital management stage, the basic duty of human department remains the same as human resource management, but the employees are seen as company's capital instead of potential assets. The activities of human resource management is linked to quantify the company's profit margins, and this is also a means to measure whether the employees and various department is working effectively. [Bratton, Jeffrey,1999: 6-8]

Functions:

Enterprises in different stages have different functions in human resource management department, but in general, for most of the companies, the functions of human resource management include:

- a. Job analysis and design. Analyzing of the positions of nature, structure, responsibility, and processes; also the skills, quality, and knowledge of stuffs who qualify those positions based on investigations and analysis of the related information, thereby preparing job description and job specifications and other personnel management documents.
- b. Staff recruitment and selection. According to the human resources plan and job analysis requirement, recruiting and selecting the right personnel to the right positions.

- c. Training and development. Training can improve the knowledge, ability and work performance of individuals, groups, and the whole enterprise; developing the potential intellectual of employees to enhance the contribution of human resources.
- d. Performance assessment. Assessing and evaluating employees' contributions to enterprise and work achievements within a certain period, and giving feedback timely, thereby enhancing and improving their performance, supporting the personnel decision making process of employees' training, promotion, capitation, and so on.
- e. Employee health and safety. It includes building a positive organizational climate, effectively communication with workers, and promoting worker health and safety.
- f. Compensation management. It includes the salary structures design and management of basic salary, performance pay, bonuses, allowances and benefits, in order to motivate employees to work harder for enterprises.
- g. Staff motivation. By applying appropriate incentive theories and methods, giving varying degrees of fulfillments or limitations to different kinds of needs of employees; this will cause the changes of employees' psychological statues, to stimulate employees to work hard for the enterprise's expecting goals.
- h. Labor relations management. Coordinating and improving the labor relations between employees to further build enterprise culture, and create a good working atmosphere to ensure the conduct of business activities.[York, 2008: 4-5]

International Human Resource Management:

In the last chapter it was concluded that Human Resource Management is the policies a company has and activities that it takes which include human resource strategies making, employees recruitment and selection, training and development, performance management, compensation management, employees mobility management, labour relations management and employees safety and health management. Then it will be easier to understand international human resource management. Comparing with human resource management, the international human resource management is put into an international environment, which requires it different form and more than human resource management. Therefore, the international human resource management refers to that in the environment of global enterprises, multinational or international enterprises, conducting the human resource management.

Besides the normal functions that human resource management includes, as I have discussed in the last chapter, such as staff recruitment and selection, performance assessment, compensation management, and employee health and safety, the international human resource management will have more to do, which are not necessary in a domestic environment, such as international taxations, international relocation and orientation, administrative services for expatriates, host-government relations, and language translation services, those make international human resource management more complicated to research and manage.[Dowling, Festing, Engle, 2008: 5]

2.1.3 Definition of cross-cultural human resource management

Since I have introduced clearly the concept of cross-cultural management and human resource management, it is much easier to understand the definition of cross-cultural human resource management. Cross-cultural human resource management is the most important part of cross-cultural management, is a series activities based on characters of culture differences of staff selections, performance assessment, salaries management, and so forth, to enhance the

effectiveness and efficiency of human resource allocation and application, in the background of cross-culture of the enterprise.

The factors of cross-culture have a comprehensive, system-widely, process-throughout impact on human resource management, it consists of three levels:

- a. The home countries or nationals' different cultures from both parts. The joint ventures and multinational enterprises that are equipped with two different cultures from two different countries are influenced by negative factors of cross-cultural behaviours. This is a cross-culture macro level.
- b. To the concept level, which is applied obviously in mergers, acquisitions, and corporate restructuring enterprises, which is the parent companies' cultural differences from both parts. When two companies decide to hand-in-hand to be married with each other, the cultures of their own, such as staff selection system, group work style, will become some points of dispute in marriage life.
- c. Individual cultural differences. This is a cross-cultural difference in the micro-level; old and young, man and woman, higher and lower levels, etc., any different individuals have cross-cultural differences. [Chen ,Yu, 2006]

2.1.4 The importance of cross-cultural human resource management

Cross-cultural human resource management brings trust enhancement between people, brings to improvement, if it is regarded as important. The trust between people is from effective communications and understandings, which can pull people together, make group a team; after that, the employees feel at home in the company, feel like they are part of his/her company, have sense of belonging, therefore enhancing the loyalty of employees. But the communications and understandings are coming from languages, value orientations, habits, behaviours, etc.; unfortunately, those differ or even conflict in cross-cultural organizations and groups.

Values affect on the choice of models, means, and behaviours of people, and therefore become certain preference. Different nations have different psychology, way of thinking and behaviour, religions, and context, which cause conflicts easily. Unfortunately, cross-cultural human resource management is the most vulnerable part of conflicts, because it comes from different cultures plus human resources, both of them are changeable. Ignoring the power of cultures, using management methods to improve employees' relations simply, violating the psychological needs of employees will lead to some terrible consequences, say, decreasing functioning efficiency of organizations, costing more for operations, and creating conflicts.[Keeley, 2001:17-18]

2.1.5 The features of cross-cultural human resource management

In the course of international operations of transnational corporations, cross-cultural environment, company operating characteristics of internationalization and multinational management staff attitude have a significant impact on cross-cultural human resource management, forming features of diversity and transforming.

- a. Diversity. The feature of diversity of cross-cultural human resource management refers to the coexistence of variety of national cultures in human resource management of multinational enterprises.

First of all, employees of multinational companies are from different cultural backgrounds, cultural differences lie between them; then, the understandings, implementations, and evaluations of multinational enterprise's management goals, may not be the same; therefore, the working groups formed by international employees are easy to be factionalised, which makes human resource management more complicated and difficult.

Secondly, from the environment and process of management perspective, the internationalization process of an enterprise is a process of single culture to multicultural environment. As the object of multinational human resource

management is from different cultural background, with different cultural features, the missions of cross-cultural human resource management are not only management of human resource from different cultural backgrounds, but also to diversify the methods and contents of management.

- b. Transforming. The focus of cross-cultural human resource management is to keep changing. From internationalization operations of enterprises perspective, in different stages of international operations, human resource management has different tasks and goals. In the initial and developing stage of internationalization, there are two kinds of human resource management strategies implemented: first one is human resource management under parent company strategies. In this human resource management strategy, the multinational enterprises focus on the management of personal assignments sent by the headquarters, for example, the staff selections, job analysis, work performance assessments, and salaries management are set for the expatriates from parent company or the third country. The second one is human resource management in multi-nations strategies. In this kind of strategy, the human resource management focuses on the development of multi-national markets and pays more attention to the local or destination countries' management. In globalization stage, which means the world is almost globalized, and the multinational enterprise implement global strategies of human resource management, recruitment internationally and personnel management are the main tasks.[Xu, Guo, 2006]

2.2 Hofstede five culture dimensions

The “Five Culture Dimensions” theory is the only theory I will apply in this study since I am very interested in it and I think it is a relatively comprehensive theory in cultural differences analysis, which is just what I am going to do in the following pages.

2.2.1 Introduction to Professor Geert Hofstede



Geert Hofstede was born on 3rd of October, 1928, in Haarlem. He is Dr. Humanities, Professor of Maastricht University of Netherland in International Management Department; Honorary Professor of Hong Kong University engaged in organizational anthropology and International Management. After retirement in 1993, he is still a visiting professor of some Hong Kong, Hawaii, and Australia Universities. Now he is a part time adviser of the World Bank, the Asian Productivity Organization and the Europeans Union. [Gannon, Newman, 2002:iii]

He has published a lot of famous books around the world, such as Cultures and Organizations, The Game of Budget Control, European Contributions to Organization Theory and so on. Also, there are many articles written by him, for example: Innovation, Entrepreneurship and Culture, Intercultural Communication and Diplomacy, Human Relations, Cross-Culture Psychology Bulletin and so forth. [<http://en.wikipedia.org/wiki/Hofstede>]

With his scholarly monograph “Culture’s Consequences” issued in United States, he became a founder of comparative study of different cultures; his theories are applied in the whole world. Here in my thesis, I would not talk about all these theories, but the most famous in culture differences area, the “Five Culture Dimensions”.

2.2.2 Five Culture Dimensions introduction

The well known Five Culture Dimensions are a result of dimensions that tells the similarities and differences of different countries’ cultures. This research was based on years of hard working by Professor Geert Hofstede; between 1967 and 1973, he was collecting data information about employees’ values of IBM

Company in more than 70 countries with 100,000 responded questionnaires. Later, he did more researches to prove his previous research results, which were done by research on about pilots in 23 countries, administration managers in 14 countries, up-consumers in 15 countries, and elites in 19 countries.

After all of these hard working, Professor Geert Hofstede concluded the Four Culture Dimensions. Power Distance Index (PDI), Individualism (IDV), Masculinity (MAS), and Uncertainty Avoidance Index (UAI); then later, Professor Geert Hofstede summarised the fifth culture dimension called Long-Term Orientation (LTO), which was born by additional research with some Chinese employees and managers about Chinese Confucianism that created by the most infusive philosopher Confucian; and the fifth dimension is applied in more than 23 countries, some of them are not Confucianism countries. [http://www.360doc.com/content/07/1116/09/9601_823840.shtml]

Professor Hofstede investigates, analyzes, and compares more than 50 countries; he is regarded as the authority in culture differences and how culture differences influence management strategies. He said: “in global economic integration of the world, the strategies of all companies in the world are focused on how to meet the largest market to most customers by products and services; while the study of different cultures and values, is the key to success of such strategies.” [Gannon, Newman, 2002: 5-6]

2.2.3 The content of the Five Culture Dimensions

Professor Geert Hofstede spent decades and concludes five culture dimensions which telling the similarities and differences of different countries' cultures; they are:

Power Distance Index (PDI)

Individualism (IDV)

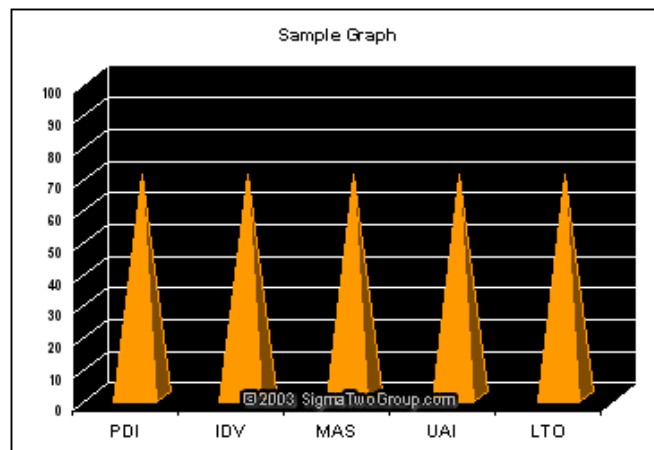
Masculinity (MAS)

Uncertainty Avoidance Index (UAI)

Long-Term Orientation (LTO)

Professor Geert Hofstede explains and describes these five culture dimensions in each country in scores and graphs, so that we can clearly see the differences between countries and how much differences we have as well. I will explain these five dimensions separately.

Figure 1 Sample Graph of culture dimensions



Source: Hofstede, <http://www.geert-hofstede.com/>

This is a sample graph of dimensions, each dimension stays in the same level, they will change when they come to different countries.

a. Power Distance Index (PDI):

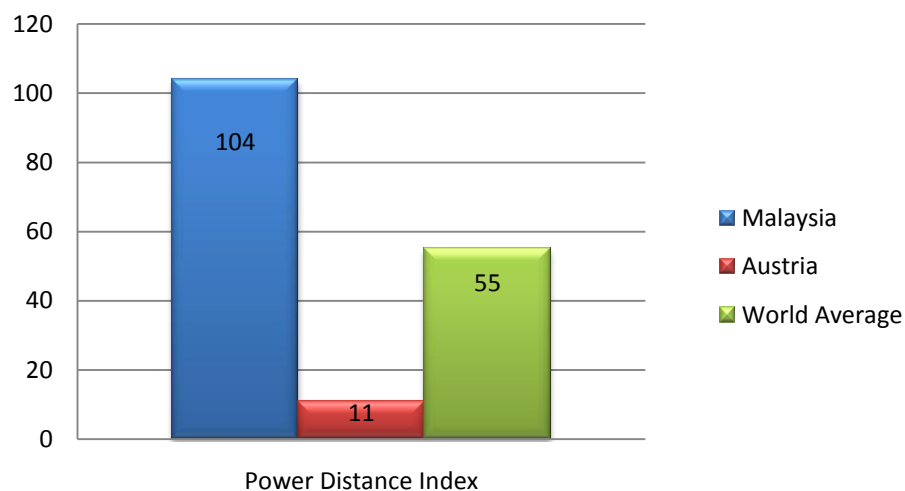
What is Power Distance Index?

Power Distance Index (PDI) is telling how much one country's less powerful people accept and respect the unequal power distributed. The inequality of the society is followed by people's earlier different life experiences such as value and norms. [Hofstede, 1980: 70] Some cultures present the Power Distance obviously, some present inconspicuously. Power distance is often connected to centralization of power, leadership and decision-making in companies. In a company with high power distance, subordinates and employees are more willing to rely on their

leaders; then, the high power distance culture is formed gradually by the habits of “relying and obeying” of subordinates plus the elitism of upper managers. But the less powerful people will strive to reduce the gap between themselves and more powerful person, the more powerful individuals will try to maintain or increase the power distance to the less powerful persons. From the score graphs of Professor Geert Hofstede, we can see the big differences between high power distance culture and low power distance culture. [Hofstede, 2001: 351-360]

For this culture dimension in Professor Geert Hofstede scores gallery, Malaysia is one of the highest power distance countries, and on the other hand, Austria is the lowest power distance country. See below:

Figure 2-1 Power Distance Index



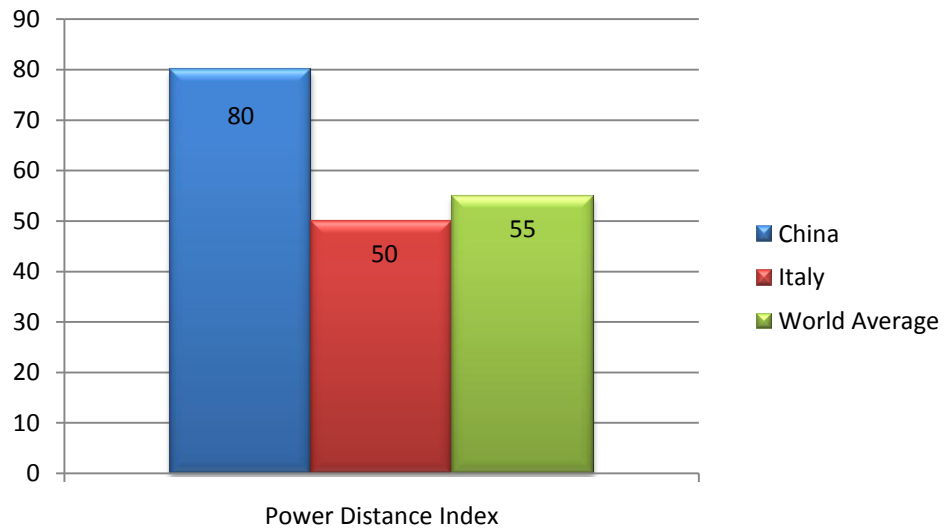
Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=7&culture2=57

Most of the countries to be researched in Professor Geert Hofstede Culture Dimensions in Power Distance Index are between 104 of Malaysia and 11 of Austria.

As the case company in this study is Penta Chutian Laser Equipment Co., Ltd, a new joint venture by an Italian and a Chinese company, the study will focus on the cultural differences between Italy and China. Here, let's see the differences of them in these five dimensions.

Figure 2-2 Power distance Index



Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=18&culture2=95

In dimension of Power Distance Index, China is 80, ranks the 5th of 56 countries or areas; Italy is 50, and the World average is 55. We can conclude that China belongs to high power distance country, where people think power distance and hierarchy is a matter of course in society, but still the less powerful people are trying to reduce the gap. Meanwhile, Italy belongs to relatively low power distance countries, but 50 is a not so low score compared with the World Average 55.

Confucianism is the religion that is widely accepted by Chinese customs, Confucian is mainly based on the tradition of blood and clan of tribal society, with a focus on the hierarchy of the national and family members. In China, personality is measured by loyalty and filial piety, which when applied in Confucianism, is

called five ethics: monarch and subject, father and son, husband and wife, brothers, and friends; except friends, the other four relationships are maintained by hierarchy, valued and humble. Therefore, China is no doubt a high power distance. But, in most cities of China today, the power distance is shrinking. Employees tend to become more and more independent instead of relying on their bosses entirely. But still, high power distance does not easily take place in China. International companies who are cooperating with China, may be influenced by the high power distance culture. When high power distance comes into company, the basic element from which hierarchy pyramids are built is the relationship between a supervisor and a subordinate. If we know that the subordinate “reports to the boss”, we know certain formal aspects of their relationship; it is likely that the boss has influence on the subordinate’s working rewards and career. The patterns of power inequality between supervisors and subordinates are supported by both parties. [Hofstede, 1980] Therefore, the company with high power distance prefers more autocracy than democracy, human emotions than principal of legality, traditions than revolutions, balance than outstanding. What is more, it is easier for a high power distance company’s bosses to have more and more power, and therefore the power is centralized. Once power centralization is formed in a company, the distance between bosses and subordinates becomes bigger; the subordinates are more quiet in front of their bosses instead of expressing their ideas and suggestions. [Hofstede, 1980: 79-84]

Low power distance (such as Italy) shows another kind of business style in Italian companies or some international companies. Within a low power distance company, there is less power centralization, flatter organization pyramids and smaller proportion of supervisory personnel, smaller wage differentials and high qualification of lower strata comparing with the situation in a Chinese culture company. There is not a strict hierarchy order in a low power distance company, the upper level and the lower level both think they are the same kind of persons, but in different positions, which are all important to the company. The employees and bosses feel less threatened and are more prepared to trust people, and people

in less powerful levels can cooperate with each other very well by solidarity.
[Hofstede, 1980: 90-107]

For an international company, it has to face the problems caused by the meeting of different cultures with different power distance culture. But what problems may exist in the meeting of high power distance and low power distance regarding human resource management in international companies? In this thesis, I will focus on the situation of the case company: Penta Chutian Laser Equipment Co., Ltd, which has one Italian Chairman from El.En Group, and one Italian Technical Manager. This situation allows me to analyze the power distance problems from low power distance manager and high power distance subordinate perspective.

Table 1 Power Distance Index Problem may exist

LPD Italian bosses	HPD Chinese subordinates	Problem may exist
People who have more and less power can be friends	There is no friendship between people have more power and less power	The bosses feel it is hard to get close to their subordinates
People should rely on each other	Some people should be independent, so that others can rely on them	The employees get used to rely on their boss, lack of independence
Managers seen as making decisions after consulting with subordinates	Employees fear to disagree with their bosses	Decision making styles cannot match, less good suggestions got from subordinates

The table above is shows the analyzed situation in Penta Chutian Laser Equipment Company, the left column is indicate the low power distance management characters, and the middle column is indicates high power distance subordinates

characters, the right column shows about the problems that may happen.
[Hofstede, 1980: 92]

b. Individualism (IDV):

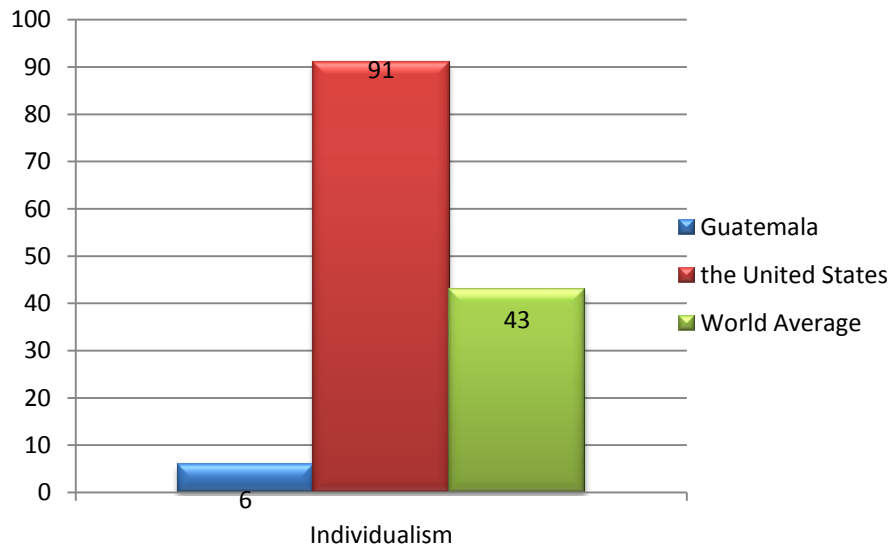
What is Individualism?

The Individualism (IDV) is described individualism and collectivism. The culture inclined to be individualistic is more focused on one's own needs and values, and serves their own interests by relying on individual effort; the relations between people are regarded less important than oneself. On the other hand, compared with individualism, the culture inclined to be collective is more focused on a combination of strong social organizations, which is divided into "inside the group" and "outside the group". People hope to be cared for by members inside the group, and pay back by their absolute loyalty; they love their group like themselves, and they can sacrifice their own preferences for the group.
[<http://www.geert-hofstede.com/>]

The individualists like to emphasize themselves and the importance of themselves in a group or a company, they hope to be watched by people around, therefore, the individualists try their best to do better and better, and finally become the best, they have strong upwards mobility; at the same time, they always overvalue their ability, and overestimate the importance of their work in group work. The collectivists, in contrast, easily ignore the efforts they can make in a group, and rely on other members in group chronically, so that they have weaker upwards mobility; they easily undervalue their skills and underestimate their contributions they can make for companies. [Brooks, 2008]

For this culture dimension in Professor Geert Hofstede's scores gallery, the United States is the highest individualism country, and on the other hand, Guatemala is the lowest individualism country (highest collectivism country). See below:

Figure 3-1 Individualism

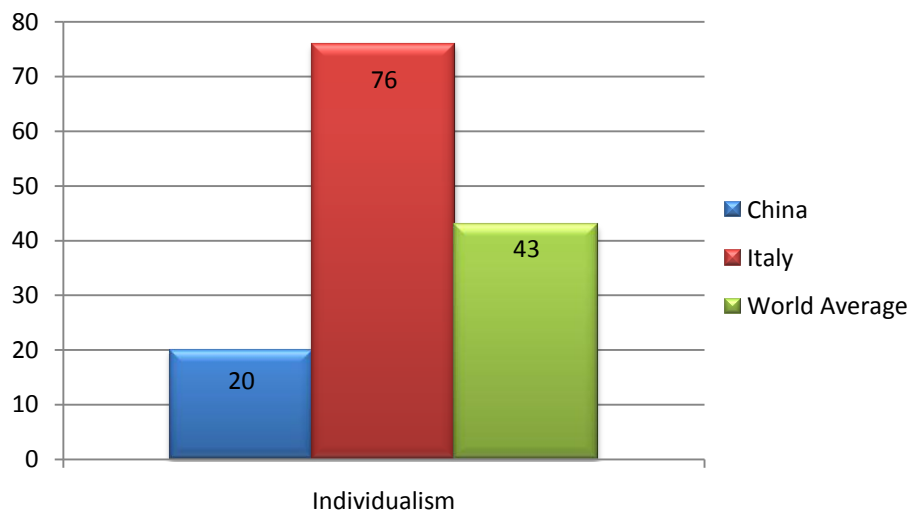


Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=37&culture2=95

Let's see how Italy and China perform in Professor Geert Hofstede's Culture dimension research in the individualism dimension.

Figure 3-2 Individualism



Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=18&culture2=95

We can see from Figure 3-2 that China belongs to low individualism countries, which means it is a collectivist country; while Italy is no doubt an individualistic country.

In China, the collectivism is one of the proletarian basic world outlooks. Collectivism refers to a value that all the behaviours should be based on the benefits of the proletariat and the broad masses. Collectivism is the core of communist morality, is an important symbol of socialist spiritual civilization. Collectivism appeared in China in the process where the working class fought against capitalists in the early 20th century, it was generated by the founder of Marxism. The collectivism in China emphasized that the individual benefits should be subordinated to the group benefits, individual benefits should be sacrificed when necessary; the supreme principle of collectivism is to serve groups with fairness. To be honest, the situation in China at the moment has become somewhat different from the above described. Since we have accepted lots of western advanced thoughts and technology, the collectivism of old times is an exaggerated slogan to most of the young people today. Now, collectivism is still there in China but not only and absolutely, China goes after the freedom and individual benefits, but when there is a necessary to draw together, the collectivism is evident. [Wang, 2004: 134-135]

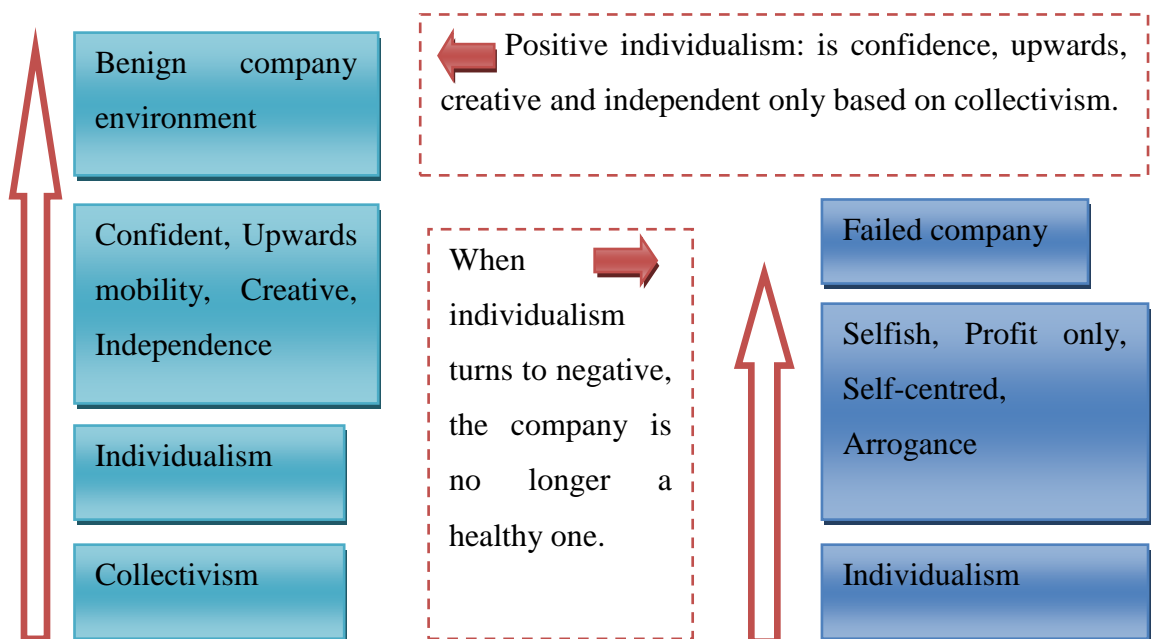
I think that there are many people, especially in China, who take individualism to mean selfishness, focusing on oneself only, and working exclusively for profit. [Gong, 2006: 64] But, I think that individualism or individualists are misunderstood. I think that we can analyze individualism in both positive and negative ways. In a positive way, many western countries emphasize self confidence, independent, creative, and upwards mobility. They believe that everyone should show out their ability, show out what they can do, and everyone has the right to colour their lives in their own way, they regard self development

important. [Fan, 1995: 148-149] Individualism viewed in positive way can make Italy a big pool full of talented people, just as the research results of Professor Geert Hofstede show, that most of the developed countries are individualistic. In a negative way, if individualism is expanded out of control, its consequences are utilitarianism, which disregards the benefits of others or groups for his/her own benefits.

Individualism in business:

As there is positive and negative individualism, I think there should be positive and negative consequences in a company connected with individualism.

Figure 3-3 Positive and Negative Individualism



Then, let's see what problems may exist in an international company when individualistic bosses (Italian) meet collectivism subordinates (Chinese) regarding human resource management. [Hofstede, 1980: 172-174]

Table 2 Individualism Problems may exist

	Definition of the self	Structure of goals	Emphasis on norms versus attitudes	Emphasis on relatedness versus rationality
Italian Individualism bosses	Autonomous and independent from groups/concerned mostly with their own success	Priority to personal goals	Attitudes are higher than norms	Emphasize on rationality
Chinese collectivism subordinates	Interdependent with others/concern with group success	Priority to in-group goals	Attitudes are equal to norms	Emphasize on unconditional relatedness
Problems may exist	Lose the spirit of team work	Managers are seen a person who don't care about the company benefit compared with their own.	Managers show attitudes easily when norm not allow to	managers won't "give face" to employees when they make mistakes; employee make mistakes because of relationships

Source: Gannon, Newman, 2002: 23-25

c. Masculinity (MAS)

What is Masculinity?

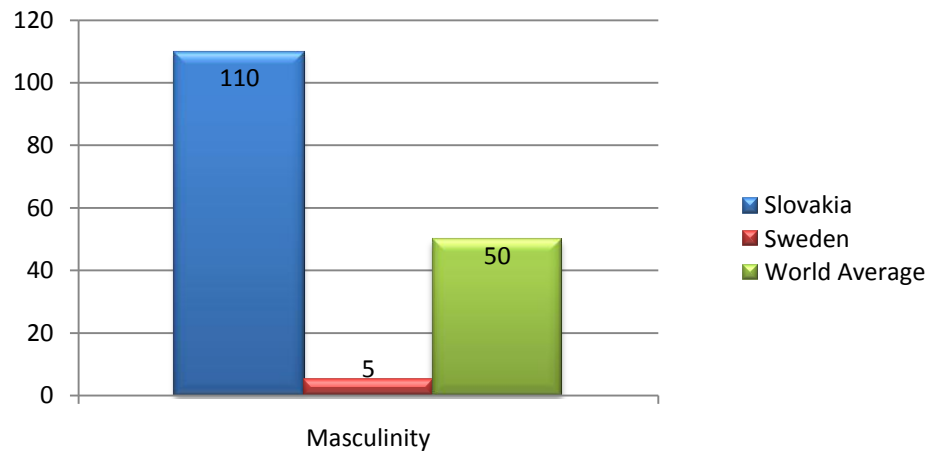
The Masculinity (MAS) dimension and its opposite, femininity, show the difference between genders in society in roles playing. In high masculine societies, men are supposed to be assertive, tough, and focusing on material success; woman

are supposed to be more modest, tender, and concerned with the quality of life. In high femininity society, both man and woman are supposed to be concerned with the quality of life. [Hofstede, 1998: 176]

In a masculinity society, a man has the obligation to earn money for his family; he should work hard to be successful in society, the harder he works, the more respect he gets from his family and society. Therefore, competition in a masculinity society is very fierce and people pay attention to the work performance very much, they believe life is for work. A woman has the obligation to take care of the house work, such as cooking, cleaning, and the children, so that her husband can go out and earn money without any worries. In a masculine society, men and women are acting like the marketing department and human resource management in a company: human resource management department is responsible for recruiting the right people and put this them in the right position, so that the marketing department can take good advantage of the human resources to make profits for the company. In a feminine society, the work division is not so clear. Men can go out and earn money for the whole family, a woman can do so as well; man can stay home and take care of the house works, woman can do so, but they hope they can go out and work as well. In a femininity society, no one cares how hard you are working, and the competition is gentle; instead, they pay attention to life quality, they believe work is for life. [Nelson, Quick, 2004: 37]

In the fifth culture dimension research of Professor Geert Hofstede, the highest masculinity culture in Slovakia, which has reached 110; the lowest masculinity culture (highest femininity culture) is Sweden, only 5.

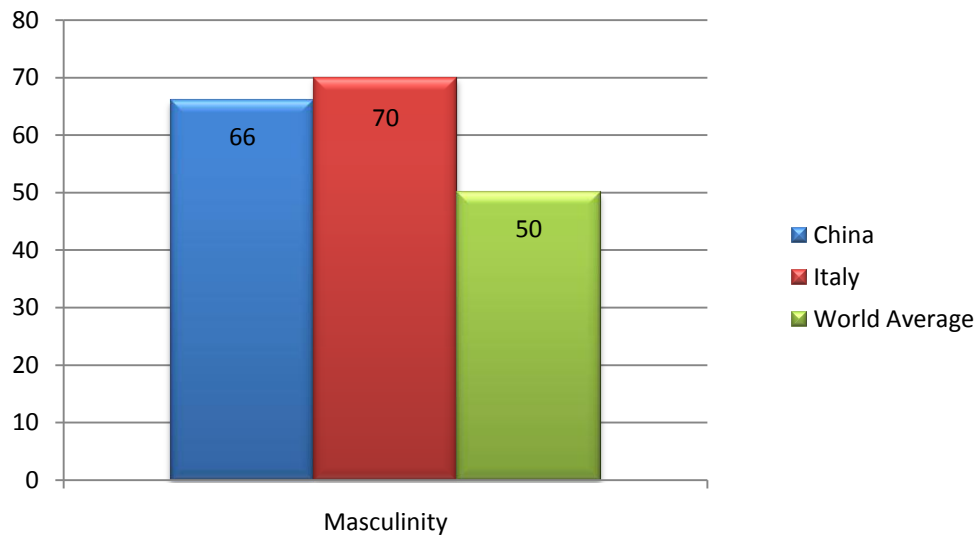
Figure 4-1 Masculinity



Source: Hofstede, <http://www.geert-hofstede.com/index.shtml>

Let's see how Italy and China perform in Professor Geert Hofstede's Culture dimension research on Masculinity.

Figure 4-2 Masculinity



Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=18&culture2=95

We can clearly see from the Figure 4-2 shown above, that there is almost no difference in Masculinity Dimension between China (66) and Italy (70), but both

their scores are higher than of the World Average (50). Therefore, we can say that China and Italy are countries that are inclined towards Masculinity.

Actually, China used to be a very high Masculinity country in the ancient times. Men had absolutely much more power than women had; a woman was regarded immoral if she was ambitious; and the social position is very important for a man. By 1920s, a woman was regarded equal to a man, and she had the same rights as men had. Now, in society, women are encouraged to have higher education, her own career and to be some independent; however China is still in tradition, even through society is shouting for women independence, many women are hoping to find a man to rely on instead of struggling alone, and men are hoping to find a woman to fight for instead of cooking for himself after a whole day working. But, now, Chinese woman are endowing with a new role: she will be the one if she has her own career which is less successful than her husband, and takes care of the house working. Meanwhile, from the scores shown in Professor Geert Hofstede's research, Italy has almost the same masculinity situation. In Renaissance times, Italian male and female played different roles in fertility: the male was focusing on expanding the family scale and honour chasing, while requiring the woman to be in a cycle of pregnancy and giving birth to babies, which made woman stay at home. From this, we can see that Italy in Renaissance was a Masculinity society, which got weaker. [Zhang, 2008]

Even the Masculinity scores of China and Italy analyzed are very close to each other, still, let's look at what problems may exist between China and Italy in Masculinity regarding human resource management.

Table 3 Masculinity Problems may exist

High Masculinity Italian bosses	High masculinity Chinese subordinates	Problems may exist
Life is for work	Life is for work	consensus
Stronger achievement motivation	Stronger achievement motivation	consensus
Greater value differences between man and woman in the same jobs	Greater value differences between man and woman in the same jobs	consensus

Source: Hofstede, 1980: 200-201

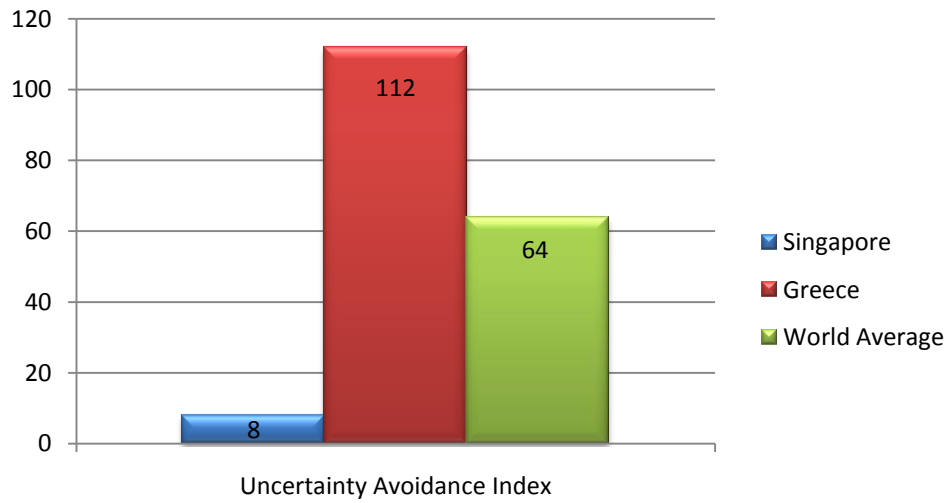
d. Uncertain Avoidance Index (UAI)

What is Uncertainty Avoidance Index?

Uncertainty about the future is a basic fact of human life, extreme uncertainty creates intolerable anxiety, and human society has created ways to avoid the uncertainty, for example by the mean of technology, which helps us defend ourselves against uncertainty caused by nature and laws, which help us against the behaviours of others, religions, which help us accept the uncertainties we cannot defend ourselves against. Different societies have different ways to adapt to uncertainty, how tolerant for the uncertain anxiety a single society has is talking about the Uncertainty Avoidance Index. The high Uncertainty Avoidance society has more worries about the future and anything uncertain, and therefore more ways to defend against those anxieties; and the low Uncertainty Avoidance society has fewer worries about the uncertainties, and therefore such society doesn't care so much about the rules. [Hofstede, 1980: 110-111]

In the research of Professor Geert Hofstede, the highest score belongs to Greece, which reaches 112, and the lowest belongs to Singapore, only 8. See below:

Figure 5-1 Uncertainty Avoidance Index

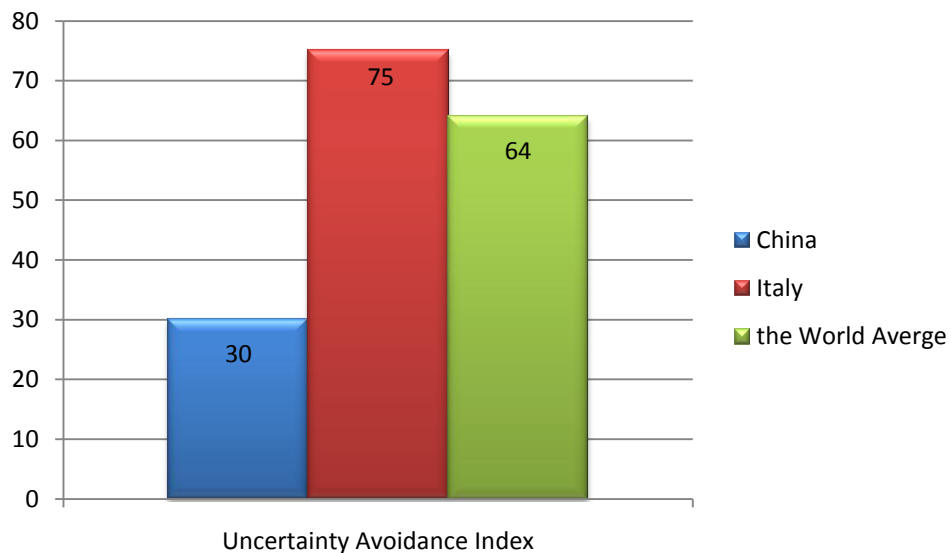


Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=36&culture2=78

Next let's see the comparison between China and Italy regarding Uncertainty Avoidance Index:

Figure 5-2 Uncertainty Avoidance Index



Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=18&culture2=48

We can see from Figure 5-2 that the score that Italy got is higher than that of the World Average. China again is much lower than that of World Average, so we can say China is a low Uncertainty Avoidance country and Italy is a relatively high Uncertainty Avoidance country compared with China.

Influenced by Confucianism, Chinese people believe “what must be must be”, meaning that something will happen, no matter what ways you use for defening against it, it will happen still. This is how the Chinese deal with uncertainties, take it easy and let it come. But if the Chinese people took everything in this way, China would be a massy, because of the large population, society and companies have to apply many rules and regulations to limit people’s uncertain behaviours. When an Italian company goes into China, it may be very nervous about the uncertain environment, and make many rules and regulations in company they get together, which make Chinese people nervous.

Let’s see what characters they may have regarding Uncertainty Avoidance Index and what problems may exist when relatively high Italian managers meet low Uncertainty Avoidance Chinese employees.

Table 4 Uncertainty Avoidance Index problems may exist

Relatively high UAI Italian bosses	Low UAI Chinese subordinates	Problems may exist
Ask for more written rules	There should be as few rules as possible	Employees are tied down to the rules
Managers less willing to make individual and risky decisions	More ambitious employees, and willing to take risk in life	Managers are seen as a timid one and waste of opportunities for company
Time is money	Time is free	Employees are seen as loafers
Inner urge to work hard	Hard work is not a virtue per se	Employees are seen to have no up-towards mobility
If rules cannot be kept, we are sinners and should repent	If rules cannot be kept, we should change them	Managers are seen to be rigid.

[Hofstede, 1980: 142-143]

e. Long-Term Orientation (LTO)

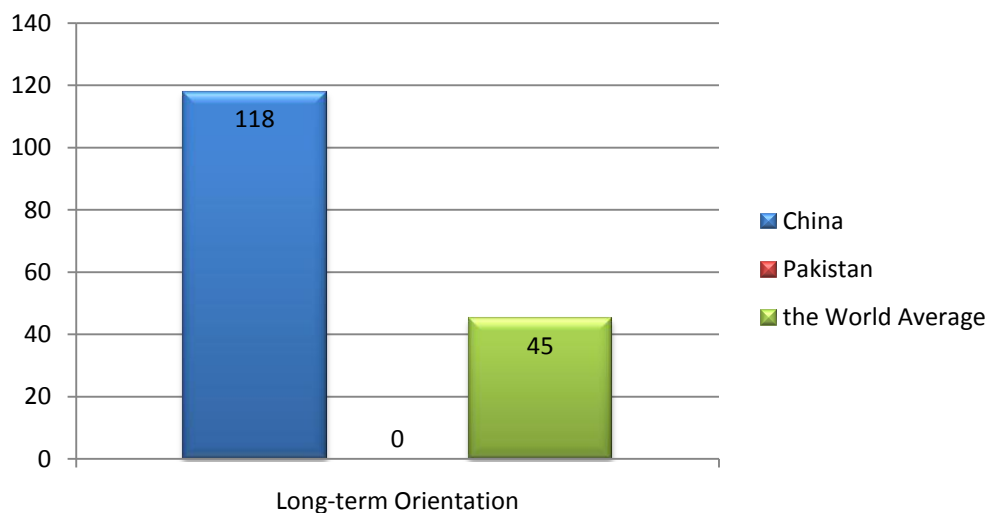
What is Long-term Orientation?

The fifth dimension Long-term vs. Short-term orientation, was founded in the answers of student samples from 23 countries around 1985 in the Chinese Value survey, an instrument developed by Michael Harris Bond in Hong Kong from values suggested by Chinese scholars. And actually, the Long-term orientation dimension came from the most influential Chinese philosopher Confucian. [Hofstede, 2001] Long-term and short-term orientation is mainly describer the difference of values of future. Values associated with Long-term orientation are thrift and perseverance; values associated with short-term orientation are respect

for tradition, fulfilling social obligations, and protecting one's 'face'.
[<http://www.geert-hofstede.com>]

In Hofstede's research, there are 28 countries which has marked scores in this dimension, long-term orientation countries scored very high and short term orientation countries scored very low; other countries are regarded as having no Long-term Orientation Value.

Figure 6-1 Long-term Orientation



Source: Hofstede,

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=18&culture2=22

Since there are no records of Italy regarding Long-term Orientation dimension, I won't show the comparison figure of China and Italy, but talk about the Long-term Orientation in China only.

As I have discussed in Power distance Index, China is deeply influenced by Confucianism. In Confucian's teaching, the stability of society is based on unequal relationship between people (high Power Distance); family is the prototype of society, every member in the family has to restrain oneself to overcome their individuality so as to maintain harmony in the family (low individualism). Long-term Orientation is another consequence based on

Confucianism, it describes the values of persistence, ordering relationships by status, and observing the order, thrift, having a sense of shame. These values teach the Chinese people to suffer for a long time in order to get a better result and sacrifice the benefits at this moment in return of much more benefits in the future. [Hofstede, 2001: 351-360]

Table 5 Long-term Orientation problems may exist

Italian Boss	High LTO Chinese subordinates	Problems may exist
Cannot understand	Perseverance	Employees are seen as stubborn, to waste of time on some long-term tasks
Cannot understand	Sense of shame is common	Employee are seen as unconfident
Cannot understand	Relationships ordered by status and this order observed	Blind obedience

Source: Hofstede, 2001: 351-360

In this case, let me analyze the problems which may exist between Chinese subordinates and Italian bosses regarding this dimension. Since Confucianism and Long-term Orientation are not applied in Italy, I cannot state the characters of Italians in Long-term Orientation dimension; instead, I will use “cannot understand” in the column to estimate the problems that might happen.

2.3 Problems Faced in Cross-cultural Human Resource Management

In the last subtitle, I have analyzed the cultural difference characters researched in “Five Culture Dimension” Theory. Based on those characters of cultural differences, I analyzed the problems that might exist in international companies

caused by cross-cultural working environment and cultural differences between Italian managers and Chinese employees. There are only 15 problems I have concluded with five culture dimensions. There may be others, but because of the single theory applied, these are all discussed.

1. The supervisors find it hard to get close to their subordinates
2. The employees get used to relying on their supervisor, lack of independence
3. Decision making styles cannot match, less good suggestions are given by subordinates
4. Lose the spirit of team work
5. Managers are seen as persons who don't care about the company benefit compared with their personal benefit.
6. The managers show their attitudes easily when the norm doesn't allow doing so.
7. Managers won't "give face" to employees when they make mistakes; while employees will make mistakes because of relationships.
8. Employees are tie down to rules
9. Managers are seen as timid and as wasting the opportunities for the company
10. Employees are seen as loafers
11. Employees are seen as having no up-towards mobility
12. Managers are seen as rigid
13. Employees are seen as stubborn, and as wasting of time on some long-term tasks
14. Employees are seen as unconfident
15. Blind obedience

Professor Geert Hofstede used to say: "Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster." Those 15 problems listed above will unfortunately become cultural conflicts between employees from different cultural backgrounds in international companies if we just let them play in each working day instead of managing them actively. Meanwhile, as we all know, problems might be caused by individuals, but conflicts aren't, conflicts only happen when there are two players. Therefore, to analyze the conflicts caused by problems, we have to analyse and solve the conflicts from both parties. In this thesis study this means from both Italian expatriates and Chinese employees and managers.

2.4 Suggested solutions

In this part, suggestions are going to be given in the theory perspective of view, in culture perspective, cross-cultural training and expatriates selection. These three suggested opinions were made by previous researchers, but these may still be helpful to those baby joint ventures such as my case company.

2.4.1 Culture perspective

All international companies have to face cultural problems when going to a new country to set up a subsidiary or a joint venture. Culture itself is not defined different by more predominant or inferior, developed or developing, or even right or wrong; instead, every culture is born in hundreds or thousands of years of history, it presents people's thoughts, values, norms, habits, and behaviours. Therefore, in an international company, all employees and managers from a foreign and the local country have to treat the different culture right. To do this, I will discuss it from two perspectives: the foreign expatriates' part, which represents the culture of where they come from, and the local employees and managers' part, which represents the culture of their own country.

Foreign expatriates:

As an expatriate, he/she has to prepare for the culture he/she will face before going to the destination country. To learn a culture is not an easy task for an expatriate in a short time, because I think there is no culture can be learnt from books or by an introduction on a TV programs; even so, it doesn't mean that there is no need to get some facts and study the destination culture for the expatriate. It is important that learning a culture for an expatriate should be based on the respect for the new culture, and hold an equality to the both cultures; only thorough respect and equality, can the destination culture and the culture differences be understood without prejudice, can the international company be in a no culture distance working environment. [Zhang, 2001: 386-388]

Local employees and managers:

The local employees and managers, who hold the majority the labour numbers, should respect the coming culture as well. Before the coming of the foreign expatriate, the local managers can give the right guidance to the employees about the coming culture; introduce some knowledge which should be noticed when behaving in the presence of the foreign expatriate. Of course, these actions done by local managers are based on their knowledge and understandings about the coming culture.

2.4.2 Cross-cultural training

Cross-cultural training is seen as the principal method of eliminating cultural conflicts and realizing effective cross-cultural management. It is seen as decreasing the cultural conflicts the expatriate may face, so as to make the expatriate get used to the new environment and work well without worries; to maintain a stable interpersonal relationship in the company, and to strengthen the team spirit and cohesion force in the company, etc. But in this thesis, the most important goal is to decrease the creation possibilities of cultural conflicts between the foreign expatriates and the local employees and managers. To realize this goal, a company can go in to two directions:

a) Local culture training for foreign expatriate after arriving:

As I have talked in “culture perspective” for foreign expatriate, before coming to the destination country, they can have already tried to learn about the destination culture, but this is quite far away from understanding the local culture. Therefore, after arriving at the destination country, the expatriate has much more for them to know and understand, then the local manager can offer some opportunities to the expatriate to understand it; for example, the local manager can take him/her to some places that can show the most real local culture, such as a tea house in China, let him/her live local people lives. Also, the local manager should encourage him/her to communicate with the employees, increase the understandings of each other; what’s more, encourage the expatriate to participate in some parties can facilitate learning about the local culture. [Ge, 2006: 321-322]

b) Coming culture training for local employees and managers:

Besides the basic knowledge about the coming culture the local employees should know before the expatriate arrives, they need more understandings about it and the expatriate as well. To understand a person or a culture, communication is needed. Therefore, only by trying to eliminate the language barriers, can communication be carried out fluently. A company can offer some language training for employees; employees can improve their language skills while working in the company. This can increase their loyalty to the company. After a period of time of get along with each other, the company can hold some culture communication exhibition; a culture communication exhibition means that the foreign and local parties show their cultural characteristics to each other, for example, the expatriate can wear his/her traditional clothes of their country, bring some traditional food to taste, share their common habits and behaviours which are different from those of local people’s; then, both parts can understand each other deeply, which can help avoid culture conflicts to some degree. [Huang, 2005: 233-240]

2.4.3 Expatriate selection

Expatriates play in a very important role in international company, which I have discussed a lot above. A good expatriate will decrease expenses for the company, bring much more profit for the company and win in a competition, still it is very hard to choose the right person to the right country to do the right job in international companies at this moment. But, there are few can be exactly the “right” one, at least the chosen one can do better and better is good. There are some criteria that are talked most: adaptability, professional ability, age, experiences and language.

Adaptability means the ability the expatriate has to adapt to the new changing cultural environment. When going to a new cultural environment, people will feel a strong culture shock; bad adaptability will bring pain and therefore decrease job satisfaction. Also, the health of his/her own and his/her family is important as well, the changes of environment may cause health problems if they cannot adapt to it.

Professional ability means the working ability an expatriate should have. Expatriates have to make decisions representing the parent company, or make some changes for the company according to the local situation. Personal management or technology skill is needed then.

Age and experiences is another criterion. Younger people can adapt more easily to a new environment and learn a new culture faster, while elder people have more experiences.

Language should be no doubt listed, if the expatriate can understand the local language, it must be the best situation that he/she can more easily communicate with local employees and decrease many problems. [Yan, 2004: 244-247]

3 EMPIRICAL ANALYSIS AND CASE STUDY

The empirical analysis is based on the case studies of the case company, Penta Chutian Laser Equipment Co., Ltd, a joint venture by a Chinese laser company and an Italian Engineering company. In this part, I introduce a qualitative and a quantitative research in the case company regarding cross-cultural human resource management. I will also analyze the results from the company researches and reach a result based on them. I will first introduce the two companies followed by the new joint venture; and later I will present the survey results following the research method and process introduction.

3.1 Case Company Introduction

3.1.1 Wuhan Chutian Laser Group

Chutian Laser was established in 1985, after more than 20 years of developing, Chutian Laser Group has devoted itself to Industry Laser, Medical Laser, and Laser Job shop business. Based on the domestic and international cooperation with laser, laser systems and laser related components manufacturers in world-wide; Chutian Laser Group has been a laser solution terminal in China. [<http://www.chutianlaser.com/en/content.asp?pid=2>]



Chutian Laser has won a lot of prizes in China:

The successfully developed dual optical path laser welding machines have been exported to the U.S. Silicon Valley, which realized the breakthrough of exporting Chinese laser products to the developed countries. It developed successfully the first Skin Rejuvenation Machine of China, which invented the “Photon rejuvenation” wave of fashion beauty. Chutian Laser Group has applied for 265 patents, which has the largest number of laser patents held in China. The company

is the largest supplier of medical laser products in Asia. It is also the largest laser handicraft manufacturing base in the world.

[<http://www.chutianlaser.com/gyct-d1.asp>]

3.1.2 El.En. Group



applications.

[<http://www.elengroup.com/frames.php?F=MAIN&lang=ENG&menuvoice=company>]

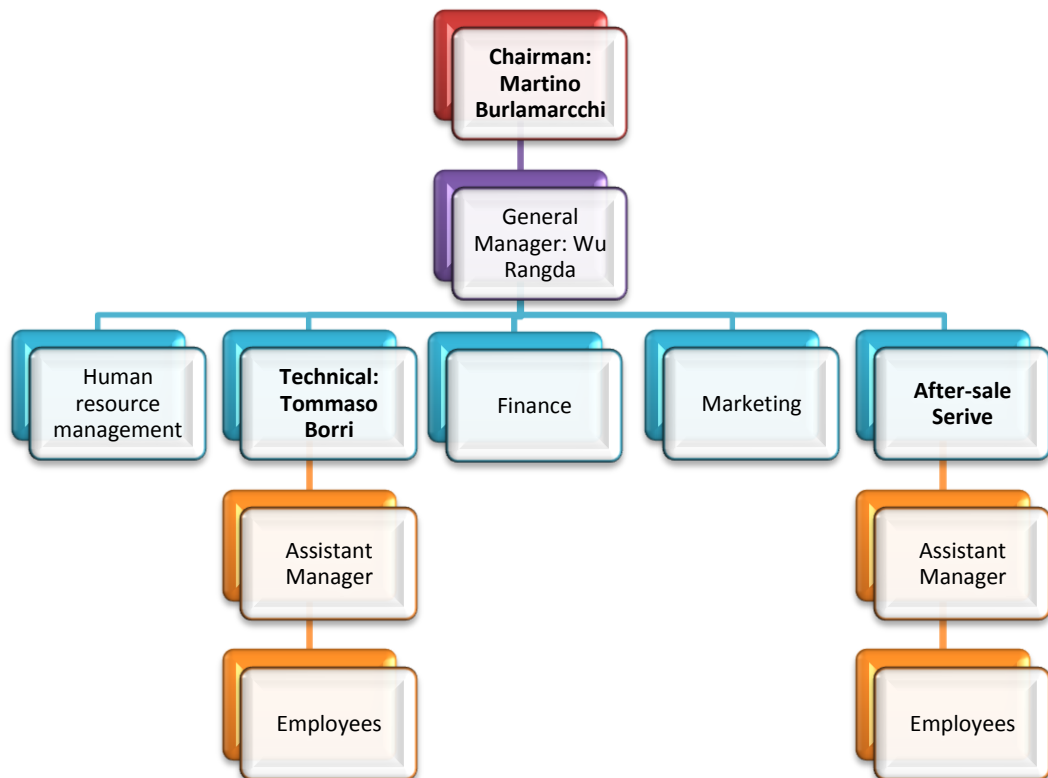
El.En Group has groups of companies operating in the laser sector, each of those companies carries out a specific role which depends on the market segment and geographic area in which it operates. In El.En Group, there are El.En, DEKA, Asalaser, Cutlite Penta, Ot-Las, Lasit, Valfivre, and Light For Art main companies. Cutlite Penta is the one who cooperate with Chutian Laser Group. [<http://www.elengroup.com/frames.php?F=MAIN&lang=ENG&menuvoice=company>]

3.1.3 Penta Chutian Laser Equipment Co., Ltd

Penta Chutian Laser Equipment Co., Ltd is a joint venture by Wuhan Chutian Laser Group and Italian El.En. Group, that manufactures and sells high-power laser cutting machines. According to Mr. Wu, Wuhan Chutian started to sell El.En's cutting machine in 2005, it paid high price to import the machines and sell them in China. El.En wanted to have more profit in China by controlling more than 50% of the shares of the joint venture. In 2007, Penta Chutian was born,

Wuhan Chutian Laser was able to exchange market for technology and El.En could have more profit by controlling 55% of share holdings. The following figure is the company structure of Penta Chutian Laser Equipment Co., Ltd:

Figure 7 Company structure of Penta Chutian



Source: Interview with Mr. Wu, the General Manager of Penta Chutian

The positions in bold in the structure shown above are those held by expatriates, they are the Chairman, Technical Manager and After-Sales Service Manager. The board of directors appointed Mr. Wu, the Chief Executive Officer of Wuhan Chutian Laser Group as the General Manager of Penta Chutian, and he has 100% management and administrative rights in the company. Moreover, it can be easily seen from the company structure that all the departments are under the charge of Mr. Wu, including the Technical department and After-sale Service department. There are not many opportunities for the Chairman to interact with the employees in the lower levels except for the General Manager. Even the Technical and After-sale Service Managers both have two Chinese assistant managers between

them and the employees because of the low language level of the employees. The working languages are mainly Chinese and some English. [Interview to Mr. Wu]

Penta Chutian is a very young company, is born in the beginning of 2007. Now company has around 100 employees, 20 of them are from Wuhan Chutian Laser Group. Since Penta Chutian is a laser equipment company, most of the employees are good at machine producing and fixing instead of knowing a second language and learning how to deal with other people.

3.2 Research Methodology

Qualitative research is an unstructured exploratory research methodology based on small samples intended to provide insight and understanding of the problem setting. Qualitative is aimed at gaining a qualitative understanding of the underlying reasons and motivations, and it focuses on a small number of nonrepresentative cases. Quantitative research is a research methodology that seeks to quantify the data and, typically, applies some forms of statistical analysis. Quantitative research is aimed at qualifying the data and generality the result from the sample to the population of interest, and it focuses on a large number of representative cases. [Malhotra, 2004: 43]

In this thesis, I interviewed to the General Manager of Penta Chutian Laser Equipment Co., Ltd, and distributed a questionnaire which contains 10 choice questions to 20 employees who have experiences in cross-cultured in company. Therefore, I applied both the qualitative and quantitative methods in the case study this. The reason that I choose both an interview and a questionnaire is that as I have talked in “Thesis Limitation”, there is not a single theory which could explain cultural differences and problems well, and as I used only one cultured dimension theory from Professor Geert Hofstede, I think that there is a need to get as much information as possible about the cultural problems happening of Penta Chutian Laser Equipment Co., Ltd. Qualitative research informed in-depth interviews can answer me the “how” and “why”, which applies the direct approach in qualitative research procedures. [Malhotra, 2004: 112] Meanwhile,

since this thesis is focuses on the harmonious working relationships between supervisors and subordinates in cross-cultural human resource management area, I have to know the real feelings and thoughts about the problems from both foreign expatriate manager and the local employees. Even though “20 samples” is a small group, I can get the answers for a statistical analysis from the survey. Therefore, the two methods should be applied at the same time.

3.3 Research Process

When I planned this thesis, I wanted to take Coca-Cola Great China Company as the case company, because Coca-Cola is my favourite brand and it is the world’s most valuable brand, Coca-Cola Company has more than 200 branches all over the world, I think it must be a very experienced company which could offer lots of good tips about cross-cultural human resource management.

Then I started to contact some personnel of Coca-Cola Great China Company, hoped I could get some responses it. Unfortunately, Coca-Cola Great China seemed to be very busy and no time for a small fan of it. Time flew to my planned graduation deadline, but I still didn’t get any response from the company, which required me to give it up and change to another company. I heard from my friend that his father is a general manager of a joint venture (Penta Chutian Laser Equipment Co., Ltd) in Wuhan, China. I decided to change companies, because I thought my friend could help me because of the close relationship. I wrote an e-mail to the General Manager of this company, telling him my topic content and a request from interview and questionnaire, and then I got a reply of acceptance on the next day.

The data collection is done by two methods, primary and secondary data collection. Primary data is originated by the researcher for the specific purpose of addressing the research problem. Secondary data is collected for some purpose other than the problem at hand. [Malhotra, 2004: 169] In my study on Penta Chutian Laser Equipment Co., Ltd, I collect the secondary data easily from its official company website which states clearly the general information I needed for

the research. On the other hand, I collected the primary data through an interview with the General Manager of the company on 23rd of January, 2010, and survey among 25 employees on 25th of January, 2010, in company.

3.4 Research Validity and Reliability

Validity is defined as the accuracy of the measurement: it is an assessment of the exactness of the measurement related to what actually exist. [Burns, Bush, 2000] Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made. [Malhotra, 2007: 284-286]

All the sources I used in this thesis are from printed books, published articles, and official websites; on the other hand, the interview I took held with the General Manager and the questionnaire given to the employees in the case company were conducted as a result long-time planning, the conversation between me and Mr. Wu was fully addressing the topic and the questionnaires were filled by employees with fully honesty, because the responses of the questionnaires were sent directly to my mail box, and weren't seen by any manager in the company.

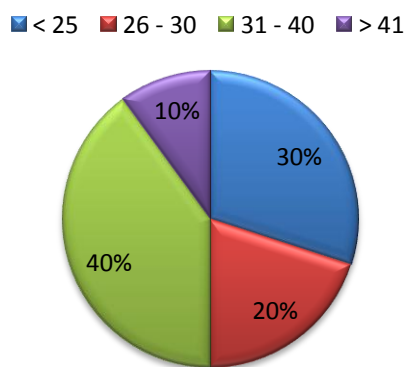
The sources I used and the responses I got were truly official and valid, and the research I made was based on my strong interest, much meticulous care and time. Therefore, I believe this study can reach its goal and is reliable for later researches.

3.5 Survey presentation

The questionnaire was written in Chinese; this was suggested by Mr. Wu, since the English Level of his employees is not very high. The survey contained 10 questions, because I planned it into three parts: the first 6 questions were general ones about age, gender, working experiences, and international experience. These questions were required because in culture dimensions, I think people in different age, gender, working experiences, and international experiences can be different in cultural adaptation. The next 3 questions were trying to explore whether they

felt cultural problems in the company, these questions were necessary because they will be part of the result for the first 6 general question in order to analyze whether different people in different age or of different gender will have different cultural adaptability. The last question consisted of 12 small questions, which described cultural behaviours related to “the Five Culture Dimensions”, by using sentence statement and requiring the responders to choose a degree of how much he/she agreed with the statement. In this way, it would be clearly seen how much degree of harmonious working relationships they have between employees who filled the questionnaire and the expatriates.

Figure 8
Age Division



3.5.1 Survey results analysis

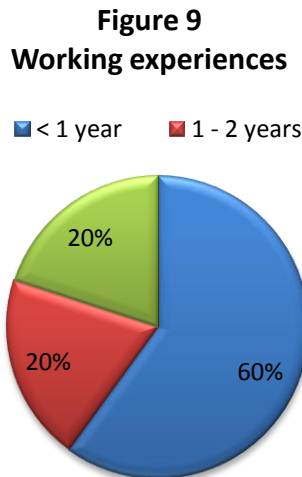
Since Penta Chutian Laser Equipment Co., Ltd is a company combined with Design, Manufacturing, and Marketing process, besides small groups of employees whose jobs are related

to the expatriates’, 80% of employees do not need to communicate or talk with the expatriates. In order to collect the valid data, I choose 20 employees who have frequently interacted with the expatriates; these employees are from Technology, Marketing, and After-sale Service Department, where each of the department has an expatriate in charge. Further, all the three expatriates are from Italy El.En. Group and they are all Italians.

First of all, within the 20 samples, 30% are less than 25 years old, 20% are between 26-30 years old, 40% are between 31-40 years old, and 10% are over 41 years old, see Figure 8. Taking this question into questionnaire is because I think younger or elder people would have different values and adaptabilities in cultural differences, which I have talked about in chapter 2.1.3., the third factor of cross-culture on human resource management

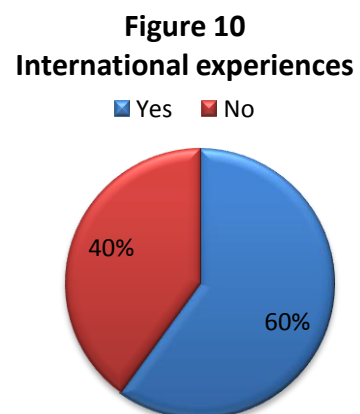
Meanwhile, in the company, 60% employees have been working in this international environment in Penta Chutian less than 1 year, 20% for over 1 year

but less than 2 years, and 20% for over 2 years, since the establishment of Penta Chutian Laser equipment Co., Ltd in the beginning of 2007. This question was asked because I think the longer the employees have stayed in the case company in an international environment, the more familiar they are with the differences of language and culture and the less problems they would have in language and cultural problems. We can see from the data



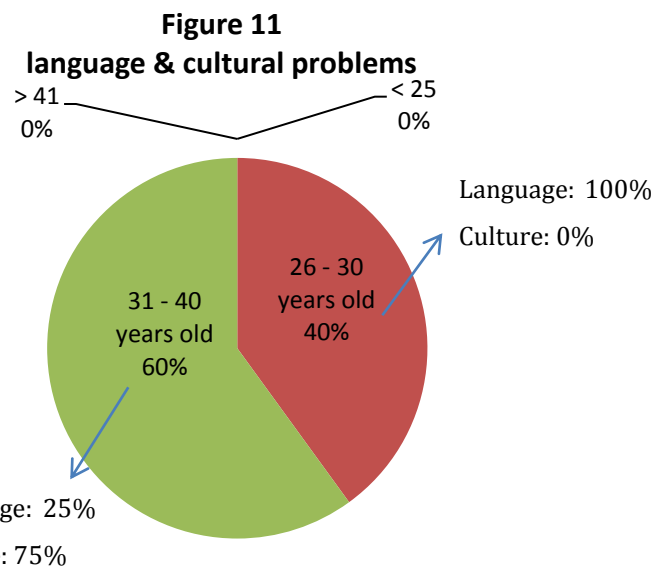
that most of the employees at Penta Chutian Laser Equipment Company mean few experiences of an international working environment, which can be estimated to have weaker cultural adaptability. According to calculation, 83.3% of samples, who have been working in an international environment in the case company for less than one year, have language or cultural problems.

On the other hand, 60% of the samples have and international experiences before, such as studying and working abroad, or are used to having foreign relationships. The reason for asking this question is that I think people who have more and richer international experiences may have less language or cultural problems. From the data calculation, among 60% of employees who have international experience, 16.6% samples have faced language problems,



and 33.3% have faced cultural problems; 40% of employees who do not have any international experiences, 50% of the sample have language problems, and 25% of the sample have had cultural problems.

After looking at the basic research information from the case company, let me show the research results of the following questions. The sample around was asked whether they think there are language and cultural problems when communicating with the expatriates. From Figure

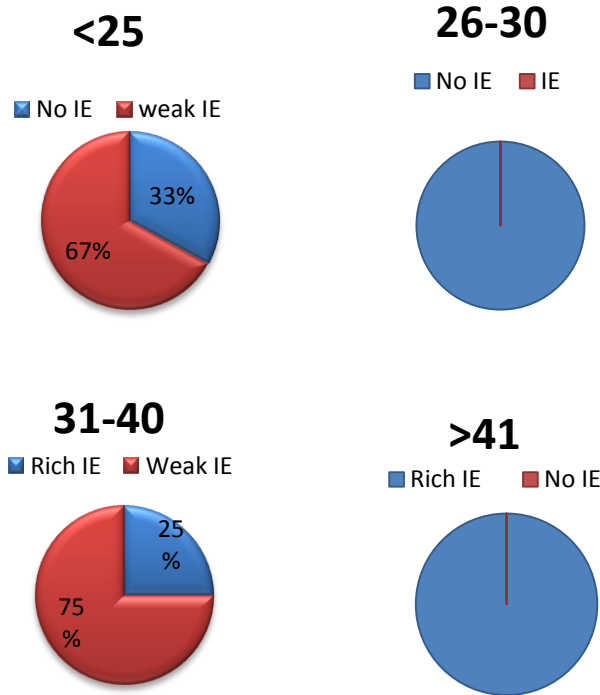


11, samples who are less than 25 years old or above 41 years old think neither language nor cultural difference is a problem. 40% of the samples around belonging to the age group of 26-30 years old have faced language or cultural problems, the rest of them belong to the age group of 31-40 years old. Meanwhile, sample members who have had language or cultural problems, a 100% 26-30 years olds have had language problems but culture's, and 25% of 31-40 year-old sample have had language problems and 75% have cultural problems.

What should be notice is that, employees less than 25 years old think there is no language problem, and 33% of them don't have international experience and the left 67% have very weak international experiences, like some acquaintances that are less than 1 year. What's more, there are 10% samples are over 41-year olds have neither language nor cultural problems, and they all have rich international experiences such as studying and working abroad for at least five years. Sample group members whose ages are from 26 to 30, 100% of them do not have any international experiences; sample group members whose ages are between 31 and 40, 75% of them have international experience but all had lasted for a very short time.

From the analysis above, we can draw a small conclusion that the younger age employees have fewer cultural problems, and employees who have longer and

Figure 12 International experiences in different age groups



richer international experiences have faced fewer language and cultural problems. In China, generally, the younger the employee is, the better his/her English education, but the situation differs as the sample group is the case company, 10% of

the samples are over 41 years old, they have not got English education as good as the younger people, but all of them have a very long and rich international studying and working experiences, which make them free less like into language and cultural problems. This also can prove my conclusion that employee who has longer and richer international experiences have fewer language and cultural problems.

Then, I will go deeper into the survey results. I asked 12 small questions which by using sentence statement to described cultural behaviours related to “the Five Culture Dimensions”, and required the responders to choose a degree of how much he/she agreed with the statement.

Firstly, I asked questions around Power Distance Index. When samples were asked whether the expatriate supervisors would love to authorize the employees to develop their ability, 90% samples choose “Yes, for sure”; when asked whether

the expatriate bosses would love to communicate with employees actively instead of staying in their offices, 100% of the sample group choose “Yes, for sure”; when asked whether the expatriate bosses would like to pressure you with their power, 70% of the sample group choose “No, at all”, 20% of sample group choose “Neutral”; 70% of the sample group chose “Yes” when asked whether they would go and ask expatriates immediately when facing problems. From Power Distance Index perspective of view, there is almost a “fine” situation in Penta Chutian Laser Equipment Co., Ltd from the employees’ point of view. When analyzing Power Distance Index in chapter 2.2.3 and the conclusion was that problems may exist caused by power distance differences:

- The supervisors find it hard to get close to their subordinates
- The employees get used to rely via on their manager, lack of independence
- Decision making styles cannot match, fewer good suggestions got from subordinates

Take a look at the employees’ side, “70% of sample group chose “Yes” when asked whether they would go and ask the expatriates immediately when facing problems”. This matches with the problems “The employees get used to rely on their supervisor, lack of independent”, because it is a kind of dependence behaviours to ask for help or advice about “what can I do” when employees face problems. What’s more, according to Mr.Wu, the three expatriates are easy to approach; they enjoy holding with problems and solving them. Unfortunately, I didn’t know whether the expatriates get some good suggestion from the employees because of power distance differences from the interview with Mr. Wu. Therefore, the problems I analyzed were almost eliminated from the resent studies and analysis.

Secondly, I asked a few questions addressing Individualism. Employees were asked whether the expatriates are partial towards the outstanding staff in company, 40% of them answered “Yes”, 40% answered “No”, and 20% answered “Neutral”. Then, samples were asked whether the expatriates prefer to give credits to group

efforts, 60% answered “Yes”, and 30% gave “neutral”, and 10% said “No”. Finally, these two questions aimed to explore whether the expatriates show their high individualism clearly in at work since the Individualism of Italian’s score is 56 higher than that of China.

I analyzed the problems which may exist between expatriates and local employees caused by individualism differences were analyzed in Chapter 2.2.3:

- Losing the spirit of team work
- Managers are seen as persons who don't care about the company benefit compared with their own.
- The managers show their attitudes easily when norm doesn't allow to
- Managers won't “give face” to employees when they make mistakes; while employees will make mistakes because of relationships.

According to the interview with Mr. Wu, the three expatriates all have a mild nature of personalities, because of the lesson from “Mr. F Incident”.

Mr. F was a vice General Manager, who was in charge of Technology Department of Penta Chutian Laser Equipment Co., Ltd. Mr. Wu told that “Mr. F used to work in the U.S. for 3 years, and he was a man of individuality. Mr. F was a very serious, meticulous and precise Italian, and required everything to strive to the best. These characters required him to be very autocratic; therefore, he couldn't endure the unserious and lax manner of the Chinese employees. One day, his emotion broke out and he fired five employees on his own responsibility regardless of the permission of the General Manager (In China, only the General Manager has the right to dismiss employees). All the Chinese employees and the General Manager were very angry about it, because they were on the way of improving their work. Mr. Wu required him to take back what he had said, otherwise the company may be charged with aggression upon employees' right; and then, the story ended with a letter of resignation from Mr. F and he went back to Italy. ” Mr. Wu said, Mr. F was too personality to wait for the process of

employees' improvement. The employees in the Technology Department had poor English, they could not understand each other very well; they just knew that Mr. F was always angry with them and never satisfied with their work, as a result their work was full of fear and lack of passion.

Therefore, now the new team of expatriates are very mild and "soft" and won't show their attitudes easily. The other three problems were proven to be "not a problem" according to the answers of employees.

Thirdly, the questionnaire went on with the third culture dimension, Masculinity. There are almost no differences in Masculinity between China and Italy as analyzed by Professor Geert Hofstede, but we can prove it in this research.

The questionnaire was filled by 90% male employees and 10% female employees. In the male group, about 22.2% thought that the expatriates expect more from male staff, 33.3% didn't agree, and 44.4% felt neutral. What's more, 33.3% thought that the expatriates prefer delivering the more important work to the male staff, 44.4% didn't agree, and 22.2% felt neutral. On the other hand in female employees, 100% disagreed with both of them. Moreover, there is no problem based on my analysis in the theoretical part. Therefore, we can be sure about the close of the two cultures in Masculinity, just as Professor Geert Hofstede has analyzed.

Fourthly, Uncertainty Avoidance Index, according to the research of Professor Geert Hofstede, Uncertainty Avoidance of Italian's score is 45 higher than that of China's, but very close to the World Average score. In this survey, samples were asked whether expatriates are rigid, everything has to be done according to the rules, and have no human touch, 70% didn't agree with this statement and 10% did. Whether the company is at risk from time to time because of the adventurous spirit the expatriates have, 90% said "No" to it; and then, 20% thought that the expatriates make their work urgency, and 10% didn't agree with the statement.

I showed five problems based on differences between expatriates and local employees in Uncertainty Avoidance:

- Employees are tie down to rules
- Managers are seen as a timid one and waste opportunities for the company
- Employees are seen as loafers
- Employees are seen as having no up-towards mobility
- Managers are seen to be rigid

From the answers of employees, the problems “Employees are tie down to rules”, and “Managers are seen to be rigid” are proved to be “not a problem”. But, “Employees are seen as having no up-towards mobility” and “Employees are seen as loafers” are seen to be happening at Penta Chutian. As I have told the “Mr. F Incident”, Mr. F thought that the Chinese employees were kind of loafers because he thought the Chinese employees cared about “finishing” the work, instead of “doing it well”. They didn’t care about whether they were doing effectively. According to Mr. Wu, even though employees are on the way improving, problems still exist.

Finally, Long-term Orientation, in the research results of “Culture dimensions”, Italy was listed among countries that don’t have this cultural dimension, while China is the highest Long-term Orientation country. According to this, I drew up a question addressing the most characteristic feature in Long-term Orientation dimension, “the face giving or losing”. To my surprise, 70% samples said “No” to the question “The expatriates points out your mistakes regardless your face losing.”

The problems I concluded in theoretical part are:

- Employees are seen as stubborn, and wasting time on some long-term tasks
- Employees are seen as unconfident
- Blind obedience

According to Mr. Wu, the Technical Department is in charge of an Italian expatriate, a senior engineer. The Italians are working at very high performance functions of the machines, which will require labelling a very high price in the market. However considering the consumer behaviours of China, a high selling price is absolutely a suicide. Mr. Wu suggested that they should first build their market, obtain public reputation, and then increase the price with higher performance functions; because in China, everyone likes high quality products, but not everyone can purchase them. Instead, customers will accept products with low price and not bad quality. To do this, for a new joint venture, it will take a longer time to build the market and a good public reputation. This is a kind of a “long-term orientation vs. no long-term orientation”, it creates problems, but communication is needed then. Mr. Wu said, in Penta Chutian, we can talk, no obedience; the company is my baby, I cannot allow any irresponsible behaviour.

3.5.2. Questionnaire presentation conclusion

Firstly, I analyzed the relationship between the age, working experiences in case company, international experiences and problems of language and culture, The three conclusions are:

- a) Employees in younger age have fewer language and cultural problems.
- b) Employees who have stayed at Penta Chutian Laser Equipment Co., Ltd for a longer time have fewer language and cultural problems.
- c) Employees who have more and richer international experiences have fewer language and cultural problems.

Secondly, I analyzed the answer results regarding questions about the “Culture Dimensions”.

In Power Distance Index, sample employees thought that the expatriates performed low power distance, and problems are almost eliminated.

In Individualism, Penta Chutian used to have problems, but now everything is fine, even though Italy is a much more individualistic country than China.

In Masculinity, there are no any problems shown out in the company according to the research.

In Uncertainty Avoidance, the expatriates showed their high Uncertainty Avoidance characters on company's way forward, and control it low in getting along with their employees, this flexible working method brought them success.

In Long-term Orientation, they know well about Chinese characters in "face" problems, and they did well; on the other hand, company has some problems regarding "Long-term Orientation", but they are under the control.

3.5.3. Suggestions for Penta Chutian Laser Equipment Co., Ltd

Firstly, from the survey done among Penta Chutian employees, who have frequently working relationships with the foreign expatriates, most of them do not have strong English skills. It is a strange situation if you work with a foreigner, but you don't talk with each other, or even if you talk, you cannot fully understand each other. Communication in work place is a very important element for every single individual in the company. We can see from "Mr. F Incident" that employees didn't know what really happened; they can only see an "angry" of the manager. Hence, English is a "must" for Penta Chutian.

To improve the language skills in the company, Penta Chutian can recruit employees who have good English skills and offer employees some English training. Recruiting employees in the Human Resource Management department is a very important activity for company. I suggest recruiting younger people, because as I have stated the younger the employees are, the higher their English levels are. In this way, Penta Chutian can save money in English training.

Talking about the recruitment of the Human Resource management department, I have another suggestion Penta Chutian should recruit some young employees who

have longer and richer international experiences. Besides the reason I've got from the survey result, as an overseas student, I have a lot of friends in Finland who are studying technology; they are young, have long and rich international experiences (most of the overseas students have stayed abroad for at least three years, and get along with students from all over the world), and they have technical and language skills, and English. Many international companies require years of working experience, but for the young employees, learning fast is another of their skills.

Secondly, from the previous bad experiences at Penta Chutian, the selection of foreign expatriates' is another "have to consider" element. An inappropriate expatriate will bring any kinds of problems, such as conflicts between expatriates and employees. Even human resource management department has the responsibility to tune the conflicts, manage labour relations, and motivate the staff; Penta Chutian should avoid problems before their arrive instead of keeping on solving problems. As I have discussed in the expatriates' selection in chapter 2.4.3, adaptability, professional ability, age and experience, and language skills are the criteria that help a company to select the right expatriate.

Penta Chutian Laser Equipment Co., Ltd is a young joint venture; it has a long road to go and much more cross-cultural experiences to gain.

4. THESIS SUMMARY AND FURTHER STUDIES

4.1 Thesis summary

The 21st century China has more than a quarter of customers all over the world. [Wen, 2008: 72] International companies are coming into China to share this attractive market, but China is not an easy-going market for all international companies to share. International companies in China are facing lots of problems, and one of the most common is cross-cultural problem. From internal management perspective point, human resource management plays the main role in cross-cultural management.

This thesis concentrates on the cross-cultural human resource management problems existing in the degree of harmonious working relationship between foreign expatriates and local employees. In order to analyze this, firstly I needed to have a series concepts regarding cross-cultural human resource management; I analyzed cross-cultural management, human resource management, international human resource management, and characters and functions of them separately. Secondly, after knowing clearly each concept regarding cross-cultural human resource management, I applied the famous “Five culture dimensions” theory by Professor Geert Hofstede to analyze cultural differences by explaining each culture dimension: Power Distance Index, Individualism, Masculinity, Uncertainty Avoidance Index, and Long-term Orientation. By analyzing the characters of these dimensions, I made a comparison of cultural behaviours between China and Italy since my case company Penta Chutian Laser Equipment Co., Ltd is a joint venture of a Chinese laser company Wuhan Chutian Laser Group and an Italian Engineering Group El.En. Group. Finally I concluded that the problems may exist in cultural differences between Italian expatriates and Chinese employees.

The case company is Penta Chutian Laser Equipment Co., Ltd, a joint venture by a China and an Italy laser company, offering high quality high-power laser cutting

machines for domestic and international customers, which is a very young joint venture born in the beginning of 2007. This situation made me feel excited about taking it as the target of the analysis regarding the topic. Penta Chutian is located in Wuhan, China. The Italians have 55% share holdings and the Chinese have the rest. There are three Italian expatriates in the company: the Chairman, Technical Manager, and After-sale Service Manager. Since this study concentrates on the degree of harmonious working relationship between expatriates and local employees in view of cross-cultural human resource management, I drew up a questionnaire distributed to the employees of Penta Chutian who have frequent working relations with the three expatriates. The questionnaire is made up of 10 questions; the first six questions mainly focused on general questions, which had a strong influence on cultural problems, such as gender, age, and international experiences. Base questions were followed by cultural problems definition survey, to dig out the main cultural problems that the employees have in the company. Then the last part of the survey was about questions focused on “Five cultural dimensions”, Power Distance, Individualism, Masculinity, Uncertainty Avoidance, and Long-term Orientation. From this part, I could combine the results with the analysis result in the theoretical study about the problems which may exist in a company with cultural differences.

Through an interview and a survey done at Penta Chutian Laser Equipment Co., Ltd, I got the results show that:

- Employees in younger age have fewer language and cultural problems.
- Employees who have stayed at Penta Chutian Laser Equipment Co., Ltd for a longer time have fewer language and cultural problems.
- Employees who have more and richer international experiences have fewer language and cultural problems.

- In individualism and Long-term Orientation dimension, the biggest gap between China and Italy according to “Five Culture Dimension” scores, is that Italians show more obvious attitudes, which caused some problems.

4.2 Further studies

Because of the limitation of this thesis, a single theory applied to analyze cultural differences and then find a series of problems which may exist due to cross-cultural human resource management is hard to be comprehensive. What's more, the lack of my knowledge and insufficient data make necessary a deeper and further analysis on the topic.

Besides, as readers can see from the survey results, many responders choose neutral answers, which made it hard to analyze the result. The main reason for this is that because cross-cultural management or cross-cultural human resource management is still immature in China and for the Chinese people; many employees have few concepts about them.

So, for later studies, I would like to dig more in to cross-cultural human resource management and see whether Penta Chutian has many more cross-cultural experiences to share with me.

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APPENDIX

1. Interviews:

Interviewee: Mr. Rangda Wu, the General Manager of Penta Chutian Laser Equipment Co., Ltd.

Time of interview: 24th, January.

Method of interview: telephone interview.

Contact information: wurangda60@chutianlaser.com

2. Survey

1. Your age is

Under 25 25~30 31~40 41~50 Over 51

2. Your gender is

Male

Female

3. How long time you have been in Penta Chutian in international working environment?

1 ~ 3 years 3 ~ 5 years 5 ~ 8 years More than 8 years

4. Do you have any international experiences (i.e. studying, working, or foreign relationships) before entering or during the time in Penta Chutian?

Yes (if yes, please go to Q.5)

No (If no, please go to Q.7)

5. What kind of international experiences do you have?

Study abroad

Working abroad

Other (please specify)

6. How long it lasts?

Less than 1 year 1 ~ 3 years 3 ~ 5 years 3 ~ 8 years More than 8 years

7. Do you feel difficulties in communicating with the expatriate officer

Yes (If yes, please go to Q.8)

No (If neutral, please go to Q.9)

Neutral (If neutral, please go to Q.9)

8. What kind of problems do you have in communication?

Culture differences

Language

Other (please specify)

9. Do you feel obvious culture differences in the company?

Yes

No

Neutral

10. Please answer the questions by choosing a number on a scale from

“1=disagree” to “3=agree”

The expatriate officer likes pressure you by his power.

1 2 3

The expatriate officer would love to authorize you to develop your ability.

1 2 3

The expatriate officer prefers to stay in his office for the whole day.

1 2 3

You will go and ask your expatriate officer immediately when you are facing problems.

1 2 3

The expatriate officer is partial towards the outstanding staff in company.

1 2 3

The expatriate officer prefers to give credit to the group efforts.

1 2 3

The expatriate officer is a rigid person, everything has to be done according to rules, and he has no human touch.

1 2 3

The expatriate officer makes your work in urgency.

1 2 3

The company is in risk from time to time because of the adventure spirit the expatriate officer has.

1 2 3

The expatriate officer expects more at the male staff.

1 2 3

The expatriate officer prefers to deliver the more important work to male staff.

1 2 3

The expatriate officer points out your mistakes regardless of your face losing.

1 2 3