THE ANALYSIS OF ROLLS ROYCE IN THE PERSPECTIVE OF INTERNATIONAL HUMAN RESOURCE MANAGEMENT AND CROSS-CULTURAL DIFFERENCES

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Abstract

Culture is such a significant factor in the expansion of business beyond borders in a global scale which can influence organizations and businesses in all walks of the activities. In the context of cross-cultural differences, dissimilarities in culture and language create communication and other related issues that leads to inter- organizational obstacles that can affect the business overseas.

This paper hypothetically examines the main activities of the human resource department of the British Multinational company Rolls Royce in a simulated scenario of expansion in Uzbekistan within the framework of cross-cultural issues. All significant rituals done by HR departments such as Recruitment and selection, Reward and Retention as well as Training and Development have been critically discussed in details. Furthermore, at the end of the paper recommendations have been given by the writer.

Expansion of Business in a country with different beliefs, culture and values requires higher consciousness and precision. It should move on paralleled with research, planning, smart execution, analyzing weak points and developing strategies to fill the gaps and improve the work. Experimented management practices along with best of human resources are the other significant elements. Culture is such a phenomenon which tends to be changing from time to time that we can notice it when we tap into our societies looking at it based on periodical perspectives. An accepted manner in a culture may turn to change its color and become unaccepted in the society. Finding a ready-made remedy to cope with cultural difference is not the perfect right choice.

Keywords: Cross-Cultural differences, International human resource management, Organizational culture

Introduction

Being a reputed Multinational company Rolls Royce has great experiences in terms of Business expansions in other parts of the world. However, the expansion of activities in Uzbekistan will be really challenging, mainly because of huge differences in terms of culture and language.

Culture influences the way people seek a job, and perform a job as well as how organizations evaluate a candidate and develop an employee (Recruiting, Retaining and Promoting Culturally Different Employees

- Lionel Laroche, Don Rutherford - Google Books, 2012).

We are talking about a British Multinational company which is to hire employees from Uzbekistan, a country which speaks Uzbek and Russian, falling into the category of High

context Culture and based upon many other factors it is totally different to that of The Great Britain which is considered as a low context culture and an English-speaking country.

Differences in culture and language creates communication and other cross-cultural issues that leads to inter- organizational obstacles that can affect any business overseas.

If culture is such an important phenomenon in International business and especially when it comes to recruitment, so it is best to first have the culture defined before we move further ahead, according to (Geert Hofstede): 'Culture is the collective programming of the mind, which distinguishes one group of people from another'(Cited in Recruiting, Retaining and Promoting Culturally Different Employees - Lionel Laroche, Don Rutherford - Google Books, 2012, p2).

An important fact, however is that culture as such is a complex phenomenon. Understanding cultural differences and following only mandatory "do's and don'ts "communication guidelines while doing business in various countries may not be sufficient to guarantee success in managing international business communication problems, specifically for those who cannot overcome ethnocentrism (Rajpal and Onyusheva, 2018, p62).

Cultural differences have a significant role in international recruitment, to ensure that onboarding of the candidate experience is optimal; it is valuable to get acquainted with the cultural, customs, and rituals differences between different countries. Knowing these differences make recruitment more influential and increases the chances of growth when you, as a recruiter, can respond to them (Q-Page - Resolving Cross- Cultural Differences in the Recruitment Process, 2020).

In my perspective, expanding a business overseas is like flying in an uncharted territory where everything is strange and new. Political, environmental, cultural and other factors are completely unknown at first and always will remain in a state of constant change.

Among all international business risks, cross-cultural discrepancies are inevitable in particular because human resources are required at all operational levels and across all business units (Rajpal and Onyusheva, 2018, p62).

Many times, Human Resource Managers fall into the mistake of holding their ideas as dominant and predetermined which can have a negative impact when having to interact with people from different cultures. This, in turn, creates an ethnocentric view from the manager and people which blocks them from learning and understanding other cultures (Higgs, 1994).

It is important to consider that managers from different cultures often have a different interpretation what an organization is and how the management is executed (Higgs, 1994).

This case study provides recommendations for Developing a successful HR strategy for tackling Business issues and sets out proposals about important considerations which are vital and help Rolls Royce in terms of dealing with cross country issues and cultural differences in the phase of expansion in Uzbekistan.

In writing the case study report, I have tried my best to make it as reader friendly as its possible, I don't make my readers wander on unnecessary sidelines of general information but heed to specific issues in Recruitment and Selection, Reward and Retention, Training and Development.

2.   Rolls Royce

Rolls-Royce is a global company providing power solutions for customers in civil and defense aerospace, marine and energy markets. They support customers through a worldwide network of offices, manufacturing and service facilities in over 50 countries (Rolls-Royce Holdings, 2011, p1).

Rolls-Royce PLC, major British manufacturer of aircraft engines, marine propulsion systems, and power- generation systems. Noted for much of the 20th century as a maker of luxury automobiles, the company was separated from its car-making operations and nationalized following bankruptcy in 1971. It returned to the private sector in 1987. Headquarters are in London (Rolls-Royce PLC | British firm | Britannica, no date).

2.1.   Recruitment and Selection

We witness how trade among countries are expanding rapidly. This can be seen in the diversity and different choices we have when we go to our local supermarkets. It's not only specific to grocery or electronic appliances we buy, but also to the gigantic regional, national and international projects and services that somehow affect our lives in our countries.

'The recruitment process is particularly prone to cross cultural misunderstanding because it involves interactions between people who have never met before and who therefore rely on their cultural programming to interpret the other's behavior'(Recruiting, Retaining and Promoting Culturally Different Employees - Lionel Laroche, Don Rutherford - Google Books, 2012, p2).

There are many issues that Rolls Royce will face in terms of recruitment in Uzbekistan from proper sourcing of the candidates, choosing the right method for recruitment to cross cultural issues in interviewing and communication problems.

For Rolls Royce to succeed in expanding its Business in Uzbekistan, recruitment and Selection process will be very crucial but let's keep in mind that before recruitment and selection process which would be the main primary task after entering Uzbekistan, a roadmap is to be designed in order to cope with cultural differences through the process of Recruitment and Selection.

2.3.   Key Cross culture issues in Recruitment and selection 1: Channels of Job Advertising Choosing the right channel of job advertising is the very first step on the way to hire best candidates for the vacancies (How to Overcome Cross Cultural Issues in Recruitment, 2015).

People in Uzbekistan unlike UK and other western countries have their specific channels of social networks and sites where they search for jobs and track job announcements.

2: Cross Culture issues in Interviewing

Cross-cultural interviews can be stressful situations. The interviewer must assess a candidate that falls outside the cultural norms they are used to. Looking at their C.V., no familiar benchmarks come up. Alma maters, maybe even former companies might draw a blank. The person in front of them does not sound, act or react the way candidates do in the interviewers' native culture (The Intricacies of Interviewing Across Cultures, 2017).

HR team of Rolls Royce has a tough task when it comes to interviewing Uzbek interviewees because the way Uzbek interviewees respond, act and speak is completely different from the ideals of the British interviewers. It increases the risk of rejection due to reasons that may not be logic and related to the

capability of the interviewee. Best and the most ideal candidates may not be selected and it poses a great danger to the success of Rolls Royce expanding in Uzbekistan (The Intricacies of Interviewing Across Cultures, 2017).

3: Choosing Expatriates to fill the positions

(Suutari & Brewster, 2001) states that Expatriates' recruitment and selection is one main problem we can find in international human resource management literature (cited in Martins and Diaconescu, 2014, p49). However, recruitment of expatriates is a task for Rolls Royce in the process of recruitment and selection aimed to expand activities in Uzbekistan but it will be very difficult due to cross cultural reasons. Expatriates will have challenges adapting themselves with the environment and culture in Uzbekistan.

Adapting to a culture usually takes time and it is not something that happens quickly. Language plays a key role in communication and it's a gateway for knowing people, culture and all other aspects about a country.

Uzbek is the official language in Uzbekistan and Russian is also widely spoken, without knowing one of these two languages, any expatriate would find it difficult to perform at his/her best.

4: Uzbek Employees

The very first obstacle in recruitment of Uzbek employees is 'language barrier' and the different perception of the Uzbek candidates from Interview questions to be asked by Rolls Royce HR Managers during the interview panels.

There could be many potential candidates that fit the job description and have the required knowledge and skills but due to lack of English proficiency and lack of cultural awareness about Western Style of Interviewing, may lose the opportunity to work with Rolls Royce.

3.   Reward and Retention

Organizational culture and employee's retention are two interrelated issues. Rather many at times it is the culture which specifies whether or not to retain the employees (Punia, 2003, p36).

Finding and hiring good people is really a tough task as every executive knows it, but keeping/retaining them can be even tougher. According to Gering and Conner (2002) retaining good workers is critical to any organization. If an organization is not able to retain its employees, it will not be able to capitalize on human assets developed within the Organization (Cited in Terera and Ngirande, 2014, p481). Frost (2001) states that literature and best practices indicate that, to some extent, if employers treat their employees as valued contributors, they tend to remain in the organization (Cited in Terera and Ngirande, 2014, p481).

Every organization has traditionally its own unique style of management, organizational culture and reward and Retention routine plans to retain their employees. Based on my personal experience, when it comes to retaining employees, there is an important 'Expectation Factor' as well. We know that any employee in the world has certain expectations from workplace and the employer that he/she works for. One thing is for sure, once expectations are fulfilled, there is almost no chance for the employee to leave his work. However, expectations differ from country to country and expectations are always subject to change. So, an employee who is

happy by getting a certain amount of salary in 2020, may not be happy getting that amount in 2025. This change in expectation of the employee regarding the amount of salary applies to all other benefits that an organization offers its employees to retain them.

Considering that Rolls Royce is on an international assignment in a new geography, it surely needs to revise its Reward and Retention plans and strategies. Simply put, knowing what makes Uzbek employees happy and satisfied is an important question that managers should ask themselves frequently in the process of designing Reward and Retention plan for employees in Uzbekistan.

Key and significant Issues in Retaining and retention process:
3.1 Factors affecting retention of Uzbek Employees
Uzbek people have dramatically preserved their culture and civilization since thousands of years and as an ethnic Afghan Uzbek, I know that family and social life means a lot to Uzbeks. If working hours put a lot of pressure on Uzbek employees, in a way that it may negatively impact Uzbek employee's social and family life, it will surely end with a resignation no matter how much they are paid monthly.

Uzbekistan is a country with its own traits like any other country, and this difference applies when it comes to the needs and expectations of individuals, Rolls Royce will struggle to the know and sketch margins of Uzbek Employees expectation and of what keeps Uzbek employees happy.

3.2. Formation of an integrated Uzbek-British Organizational culture
The term "organizational culture," or "company culture," is a relatively recent addition to our vocabulary from the 1980s. Most simply, organizational culture involves how an organization functions and expresses itself (Haworth, 2015).

It is obvious that each corporation has its own specific culture and tends to keep it where ever it goes, and prefers that its employees should adapt its culture rather than adapting to the way employee's culture work. Still, looking at other international Businesses, we can see that these companies tend to create a joint and common culture when they enter a new market or country. when you enter a KFC in India, you will sense and feel that Indian-American mixed common culture when it comes to the food menu and the hospitality and the atmosphere. Whereas if one goes to KFC in an Arabic Country, he will notice that there are several Halal foods on the menu based on Arabic food trends.

Let's take Westminster International University in Tashkent as an example, in my view, it is an integrated British-Uzbek culture. A combination of British Education blended with Uzbekistan's DNA.

Formation of a common culture helps both the corporation and the employees to foster and grow on the same platform which will not happen in the lack of a common organizational culture.

It's important to recognize the differences between each culture profile because organizations always have a dominant culture and may also contain many different subcultures. By

understanding and accepting various cultures organizations can harness the differences for success (Haworth, 2015).

4. Training and Development

Cross-cultural training and development have often been regarded as principally skills-based and a "quick fix" for those organizations whose aim is to compete in the global marketplace (Estienne, 1997).

Training and constantly improving the human resources can lead to better organizational performance in the long run. In order to devise a strategy to fill the gaps in the organizations, first we need to understand what are the gaps and challenges where training can result in resolution of the problems.

In my prospection, the main challenge for the HR team would be Communication problems and mostly Language barriers in Uzbekistan. Uzbek employees are there to be trained by British Instructors who don't know Uzbek or Russian and their trainees also don't have English knowledge, so they will need to hire interpreters to conduct their training sessions. Whether interpretation is done efficiently or not is another issue.

If Uzbek instructors are selected to train the employees, still questions arise about the efficiency of the training sessions. Other technical issues in the process of Training and development exist that need to be taken care of. We should also consider that if employees are taken out of work for the purpose of training it can negatively affect the overall Organizational performance. If Training and development is supposed to happen before the official inauguration, then the question is, how long and deep the training programs are planned to be conducted.

Cross culture issues in Training and development
• Cross cultural barriers in communication
• Language
• Allocation of Time for the training and Development
• Instructors

4.1. Cross Cultural barriers in communication

Effective communication with people of different cultures is especially challenging. Cultural awareness shapes how business firms behave in cross-culturally reflected international markets. It is broadly recognized that cultural factors act as invisible barriers in international business communications (Jenifer, 2019, p332).

Knowing the fact that cultural factors play immensely important role within the organizations, it is vital for any organization to develop efficient strategies to cope these problems.

Common cross-cultural issues have happened for years within the international organizations and are debated in many books, journals and seminars

To better understand these factors lets first look at each of the above-mentioned factors;
• Misunderstanding

Misunderstanding is the foremost barrier to communication in a multicultural environment

This is common among people of different cultural backgrounds whose values and beliefs vary. The variation in the different cultures results in high level of anxiety and uncertainty and end up into the misunderstanding. The misunderstanding which has been raised due to anxiety and uncertainty continues in their entire tenure (Jenifer, 2019, p333).

Norms and beliefs

Norms are the culturally defined rules for determining the acceptable and appropriate behavior. Individuals they themselves frame rules for themselves and also expect others to do so. Each and every culture has it's owning norms and they have their own acceptable and appropriate behavior. People working in multicultural environment often fail to understand the norms of the other culture and act accordingly. Roles are a setoff norm applicable to specific groups. In particular culture different roles are assigned to men and women, children and parents/guardians, husbands and wives. These roles vary from and culture to culture and in a multicultural team one can find several violations of the roles. This further leads to anxiety and the communication process is interrupted (Jenifer, 2019, p333).

Beliefs and values

Beliefs and values are different from person to person. In a globalized working community, each and all person's beliefs and values depend on his culture. The cross-cultural belief and value prevailing should be known to the person in order to communicate efficiently (Jenifer, 2019, p333).

Stereotyping

Value judgments about people. Inadequate information about the people leads to unintelligent choices in the cross-cultural communication. Cultural stereotypes exaggerate or overgeneralize what we perceive about people, and leads to increase anxiety. Every individual enacts one stereotype on other individuals or group of people. Generally, stereotypes are born out of fear of the group we stereotype or lack of knowledge of the group. These stereotypes are the major reasons for difference of opinions about the opposite culture and leads to miscommunication (Jenifer, 2019, p334).

Ethnocentrism

Thinking about our own culture, our group behavior as the standard against all the other groups. One's own cultural experience unintentionally makes us to feel that our culture is distinctive. This ethnocentrism increases the level of the anxiety. In work places the ethnocentrism is directly proportional to anxiety level. Multicultural team members face a lot of issues due to ethnocentrism (Jenifer, 2019, p334).

4.2.   Language

Language enables us able to speak to each other and convey our messages, it is an undeniable truth that without language, communication is far from possibility and other forms of communications for instance, body language and gestures will not be able to encode messages that could be easily decoded by the other side in a communication.

Rolls Royce Team will face serious obstacles in Uzbekistan when it comes to the language factor. Rolls Royce will not be able to find all English experts who can speak English fluently.

4.3. Allocation of Time for the training and development

Employees are not robots but human beings, apart from their daily work timing, they need to reach out their own life and family. But when is the perfect time for training the employees? If employees spend most of their time in training sessions and halls, it will surely impact the overall organization performance, but in a reverse perspective, it is believed that educated and trained employees perform better which leads to better performance. Anyway, allocation of time for the training is one of the main issues in the process of Training and Development.

4.4. Instructors' ability to communication with the trainees

Instructors who train Uzbek employees have to communicate their knowledge to the audience and in order to do so, not only they need to be culturally aware but need to understand the language of the trainees.

5.   Recommendations:

5.1.   Recruitment and selection

•   It must be ensured that job postings are available in the official Social Network profiles and websites. LinkedIn is the largest professional social network worldwide, but for some countries, people prefer other platforms. As a recruiter, Rolls Royce should take this kind of difference into account (How to Overcome Cross Cultural Issues in Recruitment, 2020). Unlike other countries in Uzbekistan Facebook is not used very widely and people mostly use Telegram. So apart from posting jobs on the official site of Rolls Royce, Facebook and LinkedIn, Posts should be widely available on Telegram.

•   Interviewers should go through training sessions about Uzbekistan's culture and also benefit from Basic Language Skill Courses for making rapport with Uzbeks and for better conduction of efficient interviews.

•   There are hundreds of Uzbek senior managers who have studied in the UK and United States who must be employed by Rolls Royce and be part of the interview panels to ensure the proper conduction of the interviews and avoid misunderstanding during the interviews.

•   Job descriptions should be artfully designed to hire Uzbek employees and labor force based on ground realities in Uzbekistan.

•   Expatriates with Russian or Uzbek Language ability and acquaintance with Central Asia should be given preference.

5.2.   Reward and Retention

•   Substantial researches are to be conducted to determine Expectations in Uzbekistan's working environment context

•   Rolls Royce has to form a common integrated Organizational culture in which both values of the organization as the main party and Uzbek employees should be preserved well.

• Substantial amount of time is to be invested in doing research about country's culture, business environment and regulatory laws to tackle any possible affecting relevant factor that may impede successful retention of employees.

5.3. Training and Development

• All Rolls Royce senior Managers in Uzbekistan should go under comprehensive Training about Uzbekistan, its culture and traits. The manager should be better equipped to face the challenge so that to avoid and prevent cultural misunderstandings (Rajpal and Onyusheva, 2018).

• It is very fruitful for Managers to participate in short term Uzbek Language essential course that should be conducted earlier than the project inauguration in Uzbekistan, it will help managers to make rapport with employees and easily adapt with the environment.

• Seminars shall be conducted in the areas of effective Communication and cultural awareness for International Managers.

• Training should cover both Rolls Royce team and Uzbek employees. In order to do so, English Language training courses shall be conducted for Uzbek employees as a long-term strategic plan.

6. Conclusion

Expansion of Business in a country with different beliefs, culture and values requires higher consciousness and precision. It should move on paralleled with research, planning, smart execution, analyzing weak points and developing strategies to fill the gaps and improve the work. Experimented management practices along with best of human resources are the other significant elements.

Culture is such a phenomenon which tends to be changing from time to time that we can notice it when we tap into our societies looking at it based on periodical perspectives. An accepted manner in a culture may turn its color and become unaccepted in the society. Finding a ready-made remedy to cope with cultural difference is not the perfect right choice.

Though accomplishment of recruitment and Selection, Reward and Retention and Training and Development processes are challenging in an international context due to uncertainty that exist at the beginning but paying attention to the impacting factors, diagnosing the affecting elements and designing strategies and roadmaps accordingly will surely enable Rolls Royce to successfully expand in Uzbekistan.

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