

# Marketing and human resources management

[Business](#), [Marketing](#)



Globalisation is a reality that promises to become all pervading in the days to come. No organisation will be able to avoid it fully. The International Monetary Fund observes that countries that have been able to integrate alien cultures have seen faster growth and reduce poverty. This has resulted in some of the poorest nations in the world transforming into formidable economic powers. (International Monetary Fund 2000) As the awareness of this fact increases, more and more nations and organisations will adopt international operations.

This report considers the implications of cross-cultural issues for such an organisation. Such issues are likely to be most prominent in areas of management that concern people most. While admittedly every area of management involves people in some role or the other, the two areas where people, and therefore culture, play the most important role are Marketing and Human Resources Management. A research by Sparrow, Brewster & Harris (2004, p. 62) revealed that global HR Management is likely to be influenced by information systems and marketing or corporate communications.

Considering these facts, the areas of Marketing and Human Resources management have been selected for the purpose of examining the likely impact of cross-cultural issues in an organisation that operates in several countries. In particular the implications of such issues on two diverse countries, namely the US and china are examined in the business of car hiring. These countries are from two different continents representing very different cultures and values. Moreover, they have been accustomed to different political ideologies and ways of operating. Marketing According to Kotler (2000), Marketing is concerned with stimulating demand.

This requires understanding the needs of the people and communicating to them what the company has to offer and how it would help meeting that need. The process of understanding customers' needs and fulfilling them through a company's products takes place through a number of steps, some of which are shown below. Market Research: This involves the collection of relevant information about consumer preferences. Collection of information about diverse and complex markets becomes critical to the success of the marketing operations (Hollensen 2004, p135) At the same time this process is made more difficult because of cultural differences.

Product Strategy and Decisions: Product strategy includes a number of factors all of which have to be considered while deciding the strategy in a multi-cultural environment. First of all come the physical characteristics of the product such as colour, design, size, weight, and packaging. Each of these may have its own cultural implications. For example the colour black is unacceptable in Muslim countries, where it is associated with the modesty of women, whereas it is the standard colour for senior management furniture in Germany. (Interactive Global News 1996)..

Branding: A brand is “ A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. ” (American Marketing Association n. d. ). According to Kotler (2002, p. 187) Branding is a major part of long-term product strategy that involves a large investment of money. One of the important aspects of multi-national marketing is the segmentation of the markets based on similarities of culture. (Ekwulugo 2003, p. 95) A study into Chinese consumer behaviour by

Hiu, Siu, Wang, and Chang revealed that the Chinese consumer belonged to one of three categories:

Trendy, perfectionist consumers ? Traditional , pragmatic consumers ? Confused by over choice consumers Of these only the trendy consumer was brand conscious, whereas the other two groups were not. The branding decision while marketing in China would have to consider this. ? Pricing: The Pricing strategy is determined by the culture to which the organisation belongs. For example, Muslim countries prefer a strategy that ensures a reasonable profit rather than work on a price-maximising strategy. American companies have traditionally believed in price-skimming whereas Japanese multinationals have preferred price-penetration.

However, increasing globalisation has meant that all companies are veering around to using a combination of these strategies reflecting the cultures of the target markets (Callow ; Lerman 2003, p. 120) ? Distribution: Distribution strategy could be very sensitive to cultural factors. One example that illustrates this rather dramatically is the example of detergent marketing in rural Colombia. Marketing personnel of a well-known detergent brand found that the people in the rural areas of Colombia had just not heard of their brand, and the marketing efforts had no effect on them.

The company adopted word of mouth publicity and use of the company's own distribution channel to increase sales. ? Promotion: Marketing communication is at the heart of promotion, and is highly influenced by cultural factors. Perhaps the highest number of examples of the complexities of cross-cultural marketing is available in this area. Human Resources Management “ Human Resources Management is the way an <https://assignbuster.com/marketing-and-human-resources-management/>

organisation manages its staff and helps them to develop. ” (McCourt ; Eldridge 2003, p. 2) The important parts of HR management include the following: Human Resources Planning

Job Analysis ? Selection and Recruitment Performance Management ? Pay Management ? Training ; Development ? Job Reduction ? Employee Relations (McCourt ; Eldridge 2003, p. 31) Human resources management concerns the recruitment and placement of people in various positions. It requires understanding of the capabilities and attitudes of people (prospective employees) and communicating to them the requirements of the job. Once the person is recruited and placed in the job, continuous communication needs to be maintained to ensure that he or she is able to perform the job satisfactorily.

At every stage of a person’s employment in an organisation a continuous process of communication takes place between the employee and the management represented by the employee’s immediate superiors as well as the Human Resources department. Variations in values between nations are likely to affect motivation, appraisal, reward systems, selection methods and criteria, Training and Development, and employee relations. (Sparrow, Brewster ; Harris 2004, p. 31) Thus HR management in a multi-cultural environment has special issues to address.

Cultural factors The international market is not one homogeneous entity that can be addressed in the same manner everywhere. It has to be segmented based on other influencing factors such as language, beliefs and interpersonal relationships to make it meaningful for most companies. (Stone ; McCall 2004, p. 18) Value systems and underlying beliefs affect the way

cultural groupings behave, resulting in some groups being more comfortable with a more hierarchical and collectivist way of operation. (Sparrow, Brewster ; Harris 2004, p. 31)

When we speak of the values of a society we mean the mean values, with individual values varying from this mean within a society. Values have both intensity and direction, but usually only one of them is measured. (Hofstede 1998, p. 16) Two of the most important and oft-quoted work have been done by Hall and Hofstede. According to Hall, cultures can be classified as high-context and low-context. High-context cultures are characterised by higher involvement between people, greater distinction between insider and outsider, and long-standing cultural patterns that are difficult to change.

(Bradley 2002, p. 103; Doole ; Lowe, 1999, p. 98) Generally, Asian cultures are believed to be high-context cultures and western countries low-context ones. The problem arises when two cultures that are differently oriented are trying to communicate. “ The greater the contextual difference between those trying to communicate, the greater the difficulty firms will have in achieving accurate communication. ” (Doole ; Lowe 1999, p. 99) Hofstede proposed four dimensions of culture, namely, individualism, power distance, uncertainty avoidance, and masculinity. Individualism defines the extent to which people are independent in their actions.

In cultures where this is high, people look after their own interests, while in cultures where this is low; a person is expected to look after the interests of the group. Power distance measures the extent to which power in the society is influenced by an individual’s personal capabilities. Uncertainty avoidance reflects the willingness or otherwise to take risks. Masculinity measures the

extent to which money and other supposedly masculine factors are important in the society as opposed to “feminine” qualities like concern for people. Chinese Work Values

While considering Chinese work values, the following facts need to be kept in mind: ? Employment Practices: Chinese employment practices have undergone major changes since the policy of liberalisation. The earlier policy of providing ‘permanent’ employment has now given way to contractual employment. (Warner 1998, p. 86) ? Effect of Socialism: Apart from the values native to Chinese society and culture, China has been subject to the influence of a long tenure of socialistic form of government and society. For example, some studies have indicated low importance of factors such as pay, benefit and working hours in China.

These same factors, however were rated highly in Taiwan, showing that the value has its origin in the socialistic pattern of society to which it was long exposed rather than to any fundamental values of Chinese culture itself (Jackson 2002, p. 170) ? Changing Values: Recent changes in China have resulted in changes in Chinese perspectives and value systems, so that what was once regarded as important or significant may now be regarded as unimportant or even undesirable. Although Hofstede’s original study did not include China, many of the dimensions that he has suggested are both applicable and perceivable in China.

These are briefly discussed below: ? Individualism: Like in most other Asian cultures, collectivism is high in China. In China this could be the result of Confucianism and the ancient land system. Both these influences are waning now. ? Power Distance: This is high in China at higher levels and less marked

at middle levels. Respect for authority and power is natural to the Chinese with age being regarded as a natural source of higher authority. Uncertainty avoidance: There are conflicting results from studies in this area.

However, more recent work seems to suggest that the Chinese are moving towards uncertainty avoidance. ? Masculinity: Available studies suggest that this is medium in China. ? Long-term perspective: In general Chinese society seems to work towards long-term rather than short-term goals, with values such as thrift and perseverance characterising their actions (Jackson 2002, pp. 169-170) Each of these has its implications for Marketing and Human Resources Management functions. For example, the emphasis on long-term goals makes the linking of short-term goals with rewards less appropriate.

Recognition of group work may be more in line with the thinking of the people rather than emphasising individual achievements. American Work Values The American way of thinking is characterised by the following: ? Individualism: Americans are more prone to highlight individual achievements rather than emphasize their place and obligations in a group. This strong individualistic approach has implications in both Human Resources management and marketing. For example, recruitment of individuals may depend more on an assessment of personal achievement rather than on references. (Jackson 2002, p. 63)

Power Distance: In America the power distance is not too high, and subordinates feel free to work independently of their superiors. ? Uncertainty Avoidance: Americans are not averse to risk-taking (Jackson 2002, p. 62) The effect of these two (Power distance and Uncertainty avoidance) together is that in the work situation both the subordinate and the superior are



comfortable with independent working and taking the responsibility for the results. This could affect reward systems, performance management and also the selection and recruitment process. In marketing this could give more room to the person in the field to negotiate terms.

**Masculinity:** Again this is high in the American context allowing people to work independently and assume responsibility for the consequences. A comparison of operations of a car hire company in two different countries Taking the case of the US and China as the two countries concerned, here are a few considerations for a car rental company for its marketing and Human Resources functions. Marketing First of all, the basic service itself will be different in the two countries with car hire on the basis of an individual self-driving a hired car being a common and well accepted practice in the US, whereas in China the concept is still new.

This involves a number of auxiliary considerations such as damage to the car, theft and dependability of the transaction. Collection of the car in one centre and payment for it in another location might be well accepted and feasible in the US, whereas it would be less so in China. Some of the implications for other marketing functions are briefly discussed below: ?  
**Sales Promotion:** May have to dwell more on the concept itself, and possibly be more circumspect in China. As discussed earlier, the symbols, language and colour will have to consider local sensibilities.

**Distribution:** The distribution and franchisee arrangements would be influenced by, in addition to the legal framework, the cultural aspects such as uncertainty avoidance and individualism. The framing of contracts and their execution, for example, will have to take cultural factors into account. ?

Pricing: An international company is likely to have a more or less uniform pricing policy across countries, but this may have to be reviewed and fine-tuned to the culture. For example, the basis for billing, the effect of late returns, and the price itself will depend on the penetration level and the local practices.

? Brand: Presuming that the brand is more well established in the US, since car hiring as a concept is comparatively new in China, the brand may be better known in the US, and therefore the advantages may be more readily available. Whereas in China the brand itself may have to be promoted and established. Human Resources Management As discussed in detail above, the system of recruitment and selection, performance management, pay management and training and development will vary substantially between the two countries. In China, personal references may have to be relied upon more than claims of performance.

The selection process will also consider the cultural variations. For example, direct questions on personal matters may be less resented in the US than in China. Performance management may have to be oriented to longer term goals in China and the organisation may have to exhibit greater patience in expecting results or coming to conclusions.. The type of people recruited also will vary because the customers or prospective customers will require different approaches. In China personal relationship and personal touch may play a more important part in promoting and sustaining business, and hence might become more important than technical skills.

The nature and periodicity of training will also vary between the two countries. Conclusion Cultural factors play an important role in the

functioning of an organisation in different countries. Taking the example of a car rental company that operates in several countries, and their approach to a few important functions in the US and China, it can be seen that the approach for various aspects of these functions in the two countries may have to vary substantially for producing effective results. Bibliography 1. “American Marketing Association” (n. d. ), Dictionary of Marketing Terms, viewed 7. 5. 2007

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