Cultural Value Orientations and Staffing Practices of Indian Employees in Australia: A Review and Research Agenda

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Abstract:

Understanding the cultural value orientations of a country is a key factor in determining the work behaviours and practices of employees in a particular business environment. Over the past few years many studies have acknowledged the impact that culture has had on the structuring and design of HRM practices of employees working within a particular national setting, however, not many studies have discussed the cultural orientations of employees originating from one country but working in a different national setting and the influence it has on their individual preference for the choice of HR policies and practices. This article uses the cultural value orientations framework proposed by Kluckhohn and Strodbeck to provide an overview of the cultural dimensions of employees originating from India but living and working in Australia and the impact it may potentially have on their individual preference for the choice of HR practices. This review develops a framework contextualising both cross-country similarities and differences in value systems of Indians living and working in Australia whilst highlighting the divergences towards western HR practices that have also been analysed explicating an agenda for future research.

Keywords: Cultural Value Orientations, National Culture, HR policies and practices, Developing Countries, India, Australia

Introduction:

Globalisation accelerates the transfer of not only goods and services among nations, but also management know-how and practices (Aycan et al, 2007). Understandably then, with the growing alliance and interrelationship of businesses around the globe, there is a need to understand the management systems that are relevant to different parts of the world (Anakwe, Magid and Anandarajan, 2000; Budhwar and Debrah, 2001; Dickson, BeShears and Gupta, 2004; Ferraro, 2005; Hossen and Gustavsson, 1995; Posthuma, Joplin and Maertz, 2005; Schuler, Budhwar and Florkowski, 2002; Sinha and Sinha, 1990) as globalisation influences the transfer of ‘best’ HRM practices from one country to another (Bae and Rowley, 2001). Typically, this transfer of HR policies and practices occurs mostly from developed nations to
the developing ones (Aycan et al, 2007). However there are serious challenges when it comes to implementing Western-based management practices in these countries (Jaeger and Kanungo, 1990). Hence it is imperative to understand the cultural factors, especially the cultural value orientations as they shape a country’s attitude towards the design of its HRM systems, in particular its HR policies and practices.

So far, researchers have emphasised that there are differences when it comes to understanding values and world-views (Hofstede, 1991, 1993; Trompenaars, 1994) and that these differences can influence the behaviours of organisational members (see, Markoczy, 2000). Furthermore, there is also evidence to suggest that national culture around the globe varies (Newman and Nollen, 1996) and that a variety of management practices including HR policies and practices are shaped by variations in culture (Ferner, 1997; Luthans, Welsh and Rosenkrantz, 1993; Rosenzweig and Nohria, 1994; Schuler and Rogovsky, 1998). Yet despite such research, not much is known about cultural value orientations and its impact on the design of HRM practices in developing countries (Woldu and Budhwar, 2011). This is because majority of research has concentrated on examining cultural value orientations in developed (Western) countries (Aycan et al, 2007) while issues confronting developing countries have generally been ignored (Nyambegera, Sparrow and Daniels, 2000).

This has opened a gap in the literature that needs to be filled as we currently don’t know much about the individual values of employees in developing countries and how they are different from the ones in developed countries. This is important given that national culture and employee cultural orientations have been found to be having a profound influence on the design of HRM strategies (Aycan et al, 2007; Nyambegera, Sparrow and Daniels, 2000). Interestingly, although research is now being done on comparative issues relating to cultural orientations and HR practices in newly industrialised economies (NIE) (Budhwar and Sparrow, 1997; Chen, 2001; Sparrow and Budhwar, 1996; Yeganeh and Su, 2007; Yeung and Wong, 1990) as well as European countries (Woldu and Budhwar, 2011; Woldu, Patel and Crawshaw, 2013). Studies in this domain have again looked at examining cultural orientations of employees within a single national context (i.e. India and China) (Budhwar, Woldu and Ogbonna, 2008) or examining patterns between countries (i.e. Eastern and Western European nations). No study so far has looked at investigating the impact of cultural systems on HRM practices from the perspective of migrants originating from one country but working in another socio-cultural context.
This article will address this issue by examining the cultural value orientations of employees originating from developing country but working abroad as migrants and the impact this has on the preference for their choice of the design of HR policies and practices. In doing so, it examines the national identity of people originating from an emerging economy and its impact on the cultural values of its citizens and how these fit into Western-dominated values found in a developed country. For this study, India has been chosen to represent the developing country context and Australia has been chosen to represent the foreign country. Asian societies in particular are going through significant transformation with the adoption of market-based ideology, especially in old tradition-bound societies like India (Chatterjee and Pearson, 2000). As a result, global migration is on the rise and more and more employees are going abroad as expatriates and working as foreign staff. By examining the cultural orientations of Indians living in Australia and comparing them with the variations found in India and the impact it has on the preference for HR policies and practices, we can get a better understanding of how well Indian migrants acculturate in the Australian society and the impressions that can be drawn about them on the basis of existing notions about their country of origin. This study therefore seeks to make a substantial contribution to the growing scientific literature on cultural differences between nations (see, House et al, 2004) and its impact on HRM practices (see Aycan et al, 2007). Thus based on the above mentioned gaps in the literature, the aim of this study are two-fold:

RQ1) Which cultural value orientations are held by Indian employees working in Australia?
RQ2) Which cultural value orientations influence preference for HRM policies and practices in Indian employees working in Australia and to what extent?

To answer these questions, this article will start by providing a brief literature review on Indian national culture and HRM practices. It will also provide a concise review of the literature on Australian culture and HR practices that are found in Western (Anglo-Saxon) countries (which includes Australia). This will allow the researcher in making more meaningful comparisons by examining the impact of different national factors on HRM policies and practices in tightly matched samples (see, Brewster et al, 1996; Budhwar and Sparrow, 1998). It will further allow in generation of propositions that will be adopted in this study. Finally, the implications for future research will be discussed.
Indian and Australian Culture and their HRM Practices

The cultural milieu of India consists of a variety of ethnic, religious, linguistic, caste and religious collectivities, each of which are further separated by historical and socio-cultural specificity (Budhwar, 2001). These are reflected in life patterns, living style, land tenure systems, occupational pursuits, inheritance and succession rules (Sharma, 1984) thereby contributing to a very distinctive national culture. Indian thus tends to stand alone as a national that can be classified as a cultural island – i.e. does not clearly fit into the established country clusters, such as Anglo Saxon, German or Latin American (Budhwar, Woldu and Ogbonna, 2008). This is best described by Tharoor (2007) who compares Indian culture to the platter of ‘Thali’ (the platter with many little bowls of food), each of which must be kept separate but each of which adds to the richness of the feast. Indian national culture is therefore not only multi-subcultural but is also quite complex (i.e. it does not fit in with the general cultural pattern found across the globe).

Relatively, Indians are generally driven by their cultural value of being ‘duty’ bound (i.e. Karma which emphasises the belief of the endless cycle of rebirth) where work is seen as an extension of personal life and people rarely differentiate between the two (Mariappanadar, 2005). As per Beer (1994), Karma deals with the philosophy of devotion to work or duty without attachment and without the need or the desire for any reward. Karma thus psychologically moulds the average person to accept pain without any complaint. Furthermore, the doctrine of non-violence (i.e. Ahinsa) implies abstaining from all injury to life and positive kindness to all creation (Husain, 1994). Indian customs therefore include worshipping mother earth, ponds, wells, rivers, trees, mountains, demons, spirits and other natural elements (Husain, 1994; Tripathi, 1995). This allows the individual to unite him/herself (i.e. Atman) with that of the infinite (i.e. Brahman) which results in the attainment of salvation (i.e. Moksha) whereby an individual escapes the endless cycle of rebirth (Saha, 1992; Sinha and Kao, 1988). Indians therefore believe in conducting their prescribed duties (i.e. Dharma) that are to be performed by individuals based on their particular role in life (Sinha, 1978).

Interestingly, the Indian government and many Indian entrepreneurs are increasingly realising the importance of their corporate sector and how it is shaping growth in their country yet
when it comes to their management practices societal norms and cultural influences determine most of their HR policies and practices in a number of ways (Sparrow and Budhwar, 1997). For instance, staffing activities among Indian organisations are generally limited to familial, communal and political considerations (Sharma, 1984). As a result, selection, promotions and transfers are often based on ascribed status and personal connections (Budhwar and Khatri, 2001). Furthermore, the authority exercised is frequently one-sided with subordinates leaning to a great extent on their superiors for advice and guidance (Budhwar, Woldu and Ogbonna, 2008). Subsequently, there is a strong emphasis on collectivism which means that family and group matters take priority over individual work outcomes (Kanungo and Mendonca, 1994). This shows how Indian culture has played a dominant role in its management practices with socio-philosophical feelings and beliefs at the helm of Indian HRM.

Nonetheless there is a growing view that Indian organisations are adopting a broader and a more global approach to HRM due to the challenges of responding to Western ideas of management (Chatterjee, 2007). For instance, the liberalisation of India’s economy and economic reforms have created a massive pressure on Indian firms to not only compete with foreign companies, but also to modernise their HRM systems for improved efficiency (Budhwar and Varma, 2010). As a result, many of the traditional Indian values (such as, respect for elders, status and group affiliations etc.) are now being complemented by newer areas of attention that are linked to globalisation (such as, employee engagement, retention, work quality etc.) (Bhatnagar, 2007) This suggests that perhaps India HRM is going through a phase of transition with a strong emphasis and shift from culture-driven HR policies and practices towards strategy driven HRM (Chatterjee, 2007). However given that Indian managers strongly believe in external locus of control, what is not clear is the extent to which international management practices neutralise the effects of national culture allowing Indians to develop cultural traits similar to those found in developed (Western) nations (Davis, Chatterjee and Heuer, 2006).

On the other hand, Australia is one of the most culturally heterogeneous societies in the world and is built upon several waves of migration resulting in a broad range of cultural and geographic backgrounds (Abbott and Cieri, 2008). Ethnically, about forty percent of Australians are either themselves migrants or children of migrants and almost one-sixth speak a language other than English (Patrickson and Hartmann, 2001). In the traditional sense, An
Australia is defined as ‘those respondents who have stated that they were born in Australia, with their parent’s country of origin either as Australia or “Anglo-Celtic” (Chun-Tung Lowe and Corkindale, 1998, p.843). However a more contemporary definition of an Australian is someone who is an Australian permanent resident or citizen and who has spent over five years living and working in Australia (Woods, 2003). Although multi-ethnicity and cultural diversity is a big part of the Australia culture, its identity can also be looked through the lens of traditional and popular Anglo-Australian monocultural traditions (Zevallos, 2005). More particularly, Australian culture has been described as individualistic, masculine and of low power distance resembling those found in North America and Western Europe (Brutus et al, 2006). Nonetheless its location, development, demographic composition, multiculturalism and internal dynamics still mark out its distinctness (Westwood and Posner, 1997).

Australian traits include a fiery equalitarianism; a distinct antiauthoritarian streak, a passionate camaraderie or ‘mateship’, and a jocular, self-mocking sense of humour that is frank, outspoken and candid although a typical Australian is most likely friendly, outgoing and informal when dealing with foreigners (Nolan, 1996) and believes in ‘a fair go’. Australians are known for their mentality of ‘no worries’ attitude that, while not fatalistic, does allow one to ignore the aftermaths of one’s actions because things have worked out in the past and so they most probably will work out in the future again (Kahn and Pepper, 1980). Consequently, Australians have a lack of religiosity and do not believe in subjugation of any spiritual sense to utilitarian considerations (Clancy, 2004). Instead, they believe in freedom of views which includes their love for sports, meat pies, barbecues, the outback, the outdoor and the laid-back Australian persona (Zevallos, 2005).

Interestingly, cultural traits of Australia have been found to have significantly less impact on the way employees work and make decisions (Marsh, 1988) which also includes its HR policies and practices. For instance, in Australia, employees work in an environment of high individualism and low power distance which means that they do not find group decision making process emotionally difficult and thus are not afraid to challenge the authority of their boss or superior (Marsh, 1988). Similarly, in Australia authority is based on performance and merit with greater delegation and decentralisation while management style is participative and inclusive with less emphasis on status and more stress towards empowerment (Westwood and Posner, 1997). As a result, many of the performance management practices found in Australia match those found in North America and Western Europe (Clayton and Ayres,
1996). This indicates that HRM practices in Australia are implemented more on their assumptions and nature of the task rather than on their embeddedness in the socio-cultural context.

In essence, even if we accept the broader elements of Australian culture as a setting to the HRM decision making, it is not necessary that it will have a profound impact on the actual policy and practice found in Australia. For example, is the culture of mateship so deeply embedded that it may actually change what Australians do when it comes to their management practices? It may well influence Australia’s politics, its literature, its mass communications and even social interactions but not the way business is conducted and practices are implemented (Davis, 1988). This is because while Australia is located in close proximity to Asia, its cultural profile is still mainly Western (Brutus et al, 2006). Australia thus shares similarities when it comes to their culture and HRM practices with their British and American counterparts representing cultures that are deeply rooted in strong Anglo-Saxon traditions. However given that Australia has continued to be influenced by increased global migration than any other OECD country (Hugo, 2006) perhaps the influence of the Anglo culture and its impact on management practices may change in the future and is something yet to be discovered.

**Defining Culture and Selecting the Cultural Value Orientations (CVO) Framework**

National differences can have the single biggest effect upon cultural value orientations and represent the highest level of cultural aggregation (Ford and Honeycutt, 1992). However national differences may not necessarily equate with cultural differences as ‘culture’ is an extremely difficult concept to define (Brewster and Hegewisch, 1994; Easterby-Smith, Malina and Yuan, 1995). As per Hofstede (1980, p. 25) culture is the ‘collective programming of the mind which distinguishes the members of one group or category from another’. In the words of Kroeber and Kluckhohn (1952, p. 181) culture consists of ‘patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the other hand, be considered as products of action, on the other, as conditional elements of future action’. These various definitions indicate that culture is a complex and fuzzy notion to be studied and examined.
In such cases, a practical and a popular approach adopted by researchers is to identify several of culture’s major characteristics and examine and understand them, known as cultural value ‘dimensions’ or ‘orientations’ (Yeganeh and Su, 2007). They are defined by Kluckhohn and Strodbeck (1961, p.10) as ‘complex but definitely patterned (task ordered) principles, resulting from the transactional interplay of three analytically distinguishable elements of the valuative process – the cognitive, the affective and the directive elements which give order and solution of common human problems’. Cultural value orientations play an important role in one’s life as they shape and influence an individual’s perception of situations, problems and their consequent behaviours (Monga, 2005). It is through this behaviour that employees and managers in an organisation approach tasks and make decisions. As such, cultural value orientations can create multiple interpretations of general employee workplace behaviours that can influence the desirability for a wide range of HR policies and practices (Sparrow, Brewster and Harris, 2004).

A variety of conceptual frameworks based on cultural value orientations have been developed by many anthropologists that are used to gain insight into the various cultural perspectives. These frameworks represent average tendencies or norms of the major value systems that define culture (Phatak, Bhagat and Kashlak, 2005). One of the foremost classifications was given by Hall (1976) who identified three elements to the understanding of cultural differences: 1) Context (high vs. low), 2) Space (private vs. public) and time (monochronic vs. polychromic). Another major and a very influential classification was given by Hofstede (1980) who proposed five dimensions to national culture: 1) Power distance, 2) Individualism, 3) Masculinity, 4) Uncertainty avoidance and 5) Long term vs. short term orientation. Furthermore, Schwartz (1992) identified fundamental problems that societies are universally challenged to and suggested three dimensions that can be used to resolve these problems: 1) Conservatism vs. Autonomy, 2) Hierarchy vs. Egalitarianism and 3) Mastery vs. Harmony. Triandis (1994) also developed a typology by looking at culture subjectively and proposing three orientations: 1) Cultural Complexity, 2) Tightness vs. Looseness and 3) Verticalness vs. Horizontalness.

For this study, the cultural value orientations framework proposed by Kluckhohn and Strodbeck (1961) and further developed by Maznevski and DiStefano (1993; 1995) have been
adopted to investigate the evidence of the cultural value orientations of Indian expatriate employees in Australia.

As per Lane et al (2009), these categories can be used to measure the cultural values of individuals pertaining to different groups or sub-groups. Although there are similarities that have been found between Kluckhohn and Strodbeck’s (1961) cultural orientations framework and Hofstede’s (1980) model, the later in this case however is based only upon results obtained from a single MNC within a single industry context and thus limits one’s ability to draw accurate generalisations (Gopalan and Riviera, 1997). The cultural value orientations developed by Kluckhohn and Strodbeck (1961) on the other hand provides a very rich and comprehensive framework that can be applied in a number of studies relating to organisational research and thus is better suited for this study (Yeganeh and Su, 2007).

Kluckhohn and Strodbeck (1961) have identified a set of four basic orientations with their eleven sub-dimensions. These are:

1. Activity Orientation: Activity in daily life may concentrate on striving for goals and keeping busy i.e. doing or reflecting and living rationally i.e. thinking, or, for others, may take the form of living for the moment and exhibiting spontaneity i.e. being.
2. Relational Orientation: Relationships among people are perceived as individualistic, laterally extended groups, or hierarchical groups.
3. Man to Nature Orientation: Societies can relate to nature by dominating it or living in harmony with it, while some become subjugated by it.
4. Human Nature Orientation: Perceived as good, a mixture of good and evil, or evil.

Table 1 (Appendix A) provides a detailed description of the eleven cultural sub-dimensions that are used to evaluate and understand an individual’s beliefs, feelings and intentions.

Culture as an Explanatory Variable in HRM

A major difference among first, second and third world countries are its contextual factors, and there’s a growing realisation for the perception that country-based elements have a significant impact on comparative international HRM (Nyambegeura, Sparrow and Daniels, 2000). For instance, these factors can include: economic, legal and political environment of a
country (Begin, 1992; Sundaram and Black, 1992), its employee population and labour-market traits (Teagarden, Butler and Von Glinow, 1992) as well as its socio-cultural characteristics (of the society and the working class) (Laurent, 1983; Torrington, 1994). Among such elements, national culture has generated a great deal of interest in the field of HRM because of its impact on HR policies and practices (Aycan et al, 2000). Classic HRM functions, such as, recruitment and staffing or training and development are often influenced by different conceptions of the role and nature of management effectiveness, and these conceptions usually emerge out of and are dependent upon cultural values (Lawrence, 1992; Sparrow, 1998).

In that case, a question that emerges from the comparative HRM research agenda is: in what way and to what extent do cultural value orientations influence individual preference for HR policies and practices? The HRM literature seldom answers this question by providing a list of things that rely on culture (or culture-bound factors) to explain international differences (Sparrow and Wu, 1998). Although there are scholars who have taken an interactionist position by suggesting that culture influences some aspects of management practice more than others (Aycan et al, 2007). For instance, Tayeb (1995) holds the view that while some HRM practices can be transferred from one nation to another, others are more culture-specific and cannot be transferred and so overall HR policies and practices are more prone to cultural influences then to an organisation’s overall designs and strategies. Similarly, Child (1981) maintains the view that culture has more of a moderating effect on organisations. Nonetheless the literature has paid considerably less attention towards understanding the relationship that culture has with HRM policies and practices (Sparrow and Wu, 1998). All these views provide support to the argument that national culture is a significant explanatory factor for cross-country differences in HR policies and practices (Schuler and Rogovsky, 1998, p.164). Still there is a strong need to conduct more studies on culture in the context of HRM to widen its understanding in terms of its influence on HR policies and practices.

In order to better understand how national culture and in particular, cultural value orientations might impact HRM practices, we need to disseminate the separate constructs that have been brought together under the work-related preferences approach to national culture and reveal their separate impact important HRM linked behaviours. In other words, which particular cultural values, beliefs and norms influence which individual preference for the various HR policies and practices? (Sparrow and Wu, 1998) India is a large country with distinct cultural
and regional differences and so the management practices and employment conditions (such as availability of labour, cost of living, compensation levels etc.) vary significantly (Bjorkman and Budhwar, 2007). Given that managerial thinking in India is influenced by a conflict of contrasting cultures – i.e. one that is derived from the West as colleges and universities adopt Western education models (Budhwar and Sparrow, 1998) and another which deep rooted in Indian traditions and customers (explained in Indian culture and HRM practices section) (Chatterjee, 2007), Indian migrants are most likely to find the process of acculturation uneasy (Black and Mendenhall, 1990; Tung, 1981; Wang, 2005). As a result, they may face the dilemma of accepting host country customs (Aycan, 1997) but also the need to keep their own cultural identity intact (Black, 1990; Laurent, 1983). This study employs the cultural value orientations framework proposed by Kluckhohn and Strodbeck (1961) to compare and contrast the cultural orientations of employees originating from one country but working in another socio-cultural context and the implications it has on HRM practices. By examining the cultural differences and the individual preferences for HR policies and practices within Indians working in Australia, more sophisticated understanding of the culture-HRM linkage can be developed. As such, this present study contributes to the existing but growing body of literature on culture’s link with HRM. For this study, four areas of HR were selected as based upon the HRM practices typology proposed by Schuler and Jackson (1987), as used by Sparrow and Wu (1998). These include: recruitment and selection, training and development, performance appraisal and compensation.

Indian culture emphasises a ‘being-in-becoming’ orientation in which the ultimate goal in life is to seek salvation (i.e. Moksha – release from the cycle of rebirth) (Gopalan and Rivera, 1997). Tradition prescribes that salvation can be attained by exhibiting two traits: 1) ascetic non-worldly lifestyle and 2) performing the necessary duties consistent with one’s role in life (i.e. Karma) (Gopalan and Rivera, 1997). Although this conceptuality of non-materialistic life and work as duty has always been traditionally deep rooted in the Indian culture (Saha, 1992), in recent times such beliefs have taken less emphasis and priority due to convergence towards market oriented goals (Chatterjee and Pearson, 2000). This signifies that the age old traditional Indian values are susceptible to change and development. On the other hand, Australia represents a culture that is individualistic in nature and that emphasises ‘doing one’s own things’ (Reisinger and Turner, 2002). Accordingly, Australians are more materialistic (King, 1978) and believe in acquiring worldly possessions (i.e. house, car, boats, holiday homes – that contributes to a good standard of living). Given that Indian migrants...
living and working in Australia would be influenced by both the local (i.e. Australian) culture and their ethnic (i.e. Indian) culture, they would attempt to seek a balance between ascetic values and material ideologies. It is therefore posited that:

*Proposition 1: Cultural value orientations of activity thinking, being and doing will all be high and positively associated with Indian employees living and working in Australia.*

It is believed that most Indians in India tend to exhibit behaviours that indicate a penchant for structural inequality in relationships (Gopalan and Rivera, 1997). This may be a result of the caste system and child rearing practices that are a characteristic of the joint family system, a basis for social life in India (Saha, 1992). Despite rapidly increasing urbanisation and emergence of large number of small, nuclear families, the joint family system is still the most popular family structure for more than 80 percent of India’s population (Ganguly, 1977; Singh, 1977). Accordingly, behaviours that display compliance, dependence and approving are valued and respected over conducts that show initiative, creativity and independence. Furthermore, an individual is also expected to give less emphasis to his/her own needs, wants and desires and more to those in the family as the group (not the individual) is considered as the unit of the society (Sinha, 1988; Tripathi, 1988). Subsequently, Indian national culture has always shown a strong emphasis towards collectivism (Hofstede, 1991). This means that in places of employment, Indians prefer to form integrated ties with others and work in cohesive manner where people look out for each another (Sharma, 2010). In contrast, Australians who belong to a low power distance cultures are less concerned with the concepts of group loyalty, authority and obedience and are weak when it comes to forming closer work ties (Reisinger and Turner, 2002). As a result, they value family, marriage and children more for the companionships it brings rather than as instruments to satisfy institutional needs (Chun-Tung Lowe and Corkindale, 1998). Interestingly, a study conducted by Mehta and Belk (1991) showed Indian immigrants who live and work in the US seek worldly possessions to bring prestige to their families rather than to themselves as individuals. Given that there are great similarities between the Australian and American cultural value systems, it is posited that:
Proposition 2: Cultural value orientations of collectivism and hierarchy of group goals will be positively associated with Indian employees living and working in Australia over individual goals in relationship with other people.

Extant research has shown that Indians have external locus of control which subjugates them to society where natural forces and objects along with other forms of life are considered in high esteem (Gopalan and Rivera, 1997). Harmony is thus reinforced by the doctrine of non-violence ‘Ahimsa’ where all lives are sacred, and need to be loved and respected as it discourages bloodshed and killing of any kind (Avasthi, Kate and Grover, 2013). Ramakrishnan (1979, p. 107) observed that Hinduism is characterised by a ‘vast growing mythology’, as well as ‘the association of deities and epic heroes with local spots’. These objects and forces of nature are seen as having consciousness and life that is similar to human beings resulting in being accorded a special status in Indian tradition. Unlike Americans, who believe that they can gain mastery over nature or control destiny, Indians believe that future is uncertain and is subjected to changes in the natural environment over which they have no control (Gopalan and Rivera, 1997) resulting in tendencies that adversely impact the overall levels of ambition, persistence and work ethic found among Indians living in India. On the contrary, Australians like their American counterparts have internal locus of control where people constantly engage in actions to improve their environment whilst placing greater emphasis on striving for achievements (Carlopio et al, 2012). Consequently, Australians are more tolerant of ambiguity and risk and do not avoid conflict as members of low-context cultures (Reisinger and Turner, 2002). As per a study conducted by Budhwar, Woldu and Ogbonna (2008) Indian migrants living in the USA behaved less harmoniously with regard to their environment as they were exposed to individualistic Western lifestyle. Taking this into consideration and based on the earlier discussion, given that Indians living in Australia would be exposed to both sets of values, it is posited that:

Proposition 3: Cultural value orientations of harmony and subjugation as well as mastery in their relationship with nature, will all be positively associated with Indian employees living and working in Australia.

Most of the Indians believe in Karma, which advocates that the present nature and current state of affairs are permanent and result from the fruit of one’s actions, including those during past lives as they are thought to influence present and future lives (Yeo and Gallagher –
Thompson, 2013). As a result, Karma allows human being to not only accept their current state of affairs whether it is good or bad but accept it without any complaints. Furthermore, consistent with the theory of Karma, social customs built over hundreds of years support the belief that certain qualities and personality traits that are possessed individuals are ascribed to the particular caste a person is born into (Gopalan and Rivera, 1997). For instance, Brahmins (priests and teachers) and Kshatriyas (warriors and royalty) fall into higher castes and are considered ‘noble’ and ‘good’ while Vaishyas (traders) and Shrudas (labourers and menials) are viewed as ‘evil’ and ‘perverted’ (Gopalan and Rivera, 1997, p.160; Pick and Dayaram, 2006). Also, the personality of an individual and his or her current socio-economic status is largely determined by how the individual has behaved in his or her previous life (Saha, 1992). Accordingly, this has resulted in a belief system that promotes general lack of worry, wider acceptance and an overall lack of sympathy for other cultures. To put this in stark contrast to the Australian cultural system, societies in Australia are more egalitarian, and the way individuals behave depend less on their social or class-based positions and more on accumulating wealth and standing against authority (Reisinger and Turner, 2002). Accordingly, Australians value equality and gain respect through individual achievements as they are not afraid to challenge their circumstances or disagree with others (Reisinger and Turner, 2002). As per Budhwar, Woldu and Ogbonna (2008) Indians migrants in the US are different from Indians living in India as they believe in the changeability of human nature. Considering that the behaviour of Indians living in the US is more attributable to the western liberal philosophy which is also synonymous with Australia and the Australian cultural system, it is posited that:

**Proposition 4:** Cultural value orientations of human nature as evil and unchangeably will be negatively associated with Indian employees in Australia over human nature as good.

In India, recruitment and selection is often conducted through a known-circle or network of relatives and friends and organisations prefer to hire employees that are known through social connections, regardless of their merit (Saha, 1992; Awasthy and Gupta, 2004). Although external recruitment sources like employment agencies, newspaper advertisements and online recruitment exists, caste considerations still play a vital role as it is easy to distinguish an individual by his or her last name, making it possible to make biased staffing decisions (Budhwar and Baruch, 2003). For instance, background checks are done based on the
individual’s social class and not much importance is given to education or prior experience during the selection process (Pick and Dayaram, 2006). Similarly, due to India’s collectivist culture and relational orientation, caste system and quotas form a big and important part of the entire recruitment process. To put this in contrast to the Australian recruitment and selection system, the entire process is transparent as job advertisements through recruiters (Carless, 2007) and online recruitment (Lievens and Harris, 2003) play an important in the recruitment process. Furthermore, applicants are verified through background checks (Carless, 2007) and verbal and written references are commonly used to verify information (Di Milia, Smith and Brown, 1994; Hodgkinson, and Payne, 1998; Keenan, 1995; Shackleton and Newell, 1991; Taylor, Keelty and McDonnell, 2002). Applicants are then selected based on their qualifications, experience and merit as well as on their suitability for the job. As such, culture does not play a significant role in recruitment and selection practices in Australia as compared to India. Based on this discussion, it is more likely that Indians living in Australia would be more likely to follow (and to perhaps comply) with the Australian recruitment and selection process. Accordingly, it is posited that:

Proposition 5: Cultural value orientations of relational collective and hierarchical will be negatively associated with recruitment and selection for Indian employees living and working in Australia

Extant research suggests that Western (including Australian) HRM practices of training and development focus more on delivering experiential courses and formal programmes that develop critical interpersonal skills among employees as it is generally assumed in the Western culture that behaviour can be changed for the better (Whetten and Cameron, 1995). However, training practices in India are somewhat constrained in their approach as it is generally believed that change is not easily possible (i.e. the theory of Karma) (Gopalan and Rivera, 1997). As such, Indians prefer to think through things and live rationally rather than act and strive to achieve goals. Although India’s activity orientation gives more respect to thinkers than does, there are circumstances where Western training and development maybe transferrable to India (Gopalan and Rivera, 1997). For instance, a large number of Indians are educated in schools and colleges where English is the primary medium of instruction. In addition, more and more Indians are also going abroad and getting educated in the West and are used to the Western education system (Budhwar, 2001). As such, they are more open and favourable towards Western training and development practices, despite being deeply
embedded in traditional cultural milieu of India. Hence while India does have a collectivist cultural orientation, it does not necessarily extent to all situations (Chatterjee and Pearson, 2000). Taking this into consideration, it is more likely that Indians living in Australia will prefer Western training and development practices due to their exposure to them. Consequently, it is posited that:

*Proposition 6: Cultural value orientation of activity thinking will be negatively associated with formal training and development practices for Indian employees living and working in Australia.*

In India, job is viewed as a fulfilment of obligations rather than a priority and this has resulted in low productivity (Saha, 1992). In other words, work is not seen as an act of self-expression but rather a means to maintain family and to look after the well-being of one’s kith and kin (Mendonca and Kanungo, 1996). As such, when tasks are performed, the individual’s priority is not to accomplish its objectives but rather see it as a manifestation of one’s duty in society (Earley, 1997). Hence in countries with low individualism like India, employees, even if they perform their tasks well tend to get more satisfaction out of work well recognised rather than work done well (Mendonca and Kanungo, 1996). Management by objectives may therefore be less effective in developing countries like India as it creates cultural mistrust due to low power distance, low uncertainty avoidance and high masculinity (Hofstede, 1980). On the opposite, unlike the Indian culture, Western societies (like US and Australia) use performance as a tool to measure individual, group and organisational objectives (Hempel, 2001). This is best achieved by focusing on individual outcomes and behaviours that are related to the attainment of these objectives (Hempel, 2001). Organisations therefore largely rely on management by objectives due its overarching focus on the achievement of behaviours and individual outcomes. It is important to keep in mind that Western performance management systems are based upon Western performance schemata (Hempel, 2001) and therefore may or may not be useful in the Indian context as this will depend on the similarities between the cognitive models used by Indian and Australian managers. Interestingly, as per Amba-Rao et al (2000), Indians organisations are in the midst of transformation in their HRM practices as many organisations are readily adopting Western performance management systems due to rapid privatisation and urbanisation. Given that certain HRM practices in India are in state of transformation, it is easier to assume that Indian
employees in Australia would probably be more used to conforming to Western performance management practices. Therefore it is posited that:

**Proposition 7:** Cultural value orientation of human nature evil and unchangeable will be negatively associated with group based performance appraisal for Indian employees living and working in Australia.

In Western organisations decisions related to compensation are directly related to employee’s performance reviews as pay for performance is largely implemented (Gopalan and Rivera, 1997). Western societies (like, Australia) thus put a lot of emphasis in determining individual pay levels and bonuses in relation to an employee’s performance due to their high individualistic orientation (Schuler and Rogovksy, 1998). In India, however, pay tends to be associated more with seniority, status and loyalty rather than skill, effort and merit (Agarwal and Misra, 1993; Saha, 1992). Furthermore, compensation packages and pay structures are often based on employment tenure (Budhwar and Baruch, 2003) due to the high emphasis on particularism and stability (Sharma, 1984). However, the pay norms established by Indian government are so low that organisations are unable to attract best employees for the job (Khandwalla, 1990). Interestingly, a study conducted by Budhwar and Boyne (2004) revealed that the private sector in India has adopted a more skill or competency based approach to rewarding their employees while the Indian public sector organisations still offers performance-related compensation to their employees. Accordingly, compensation in India is largely a mixture of Indian (i.e. where age is given importance) and Western values and influences (Budhwar and Boyne, 2004). Given how compensation has evolved into a hybrid approach to HRM in India, Indian employees working in Australia are going to be more likely influenced by Western compensation system rather than a traditional Indian approach, which is under transformation. Based on this, we can posited that:

**Proposition 8:** Cultural value orientation of man to nature, harmony and subjugation will be negatively associated with loyalty and seniority based compensation for Indian employees living and working in Australia.

Finally, there is a growing support for the perception that cultural elements have significant impact on HR policies and practices in organisations across the globe and this has increased the need to understand the processes, philosophies and problems relating to different national
HRM models (Hofstede, 1993). For instance, Smith (1992) argues that cultural values have become the driving force for shaping many of the organisational-related factors (i.e. norms of behaviour, types of conflict and leadership styles) and this have a strong impact on HRM including the design of HR practices and policy preferences. At the same time, scholars also argue that neither HRM nor culture is a product of a firm as they both come from events outside the organisation thus shaping an organisation’s culture and imposing demands on its HRM systems (Khilji, 2003). Accordingly, national culture may or may not necessarily translate into a specific national or cross-national context. Given the literature does not provide a clear distinction regarding the similarities and differences on the impact that cultural value orientations have on HRM practices and taking all of the above propositions into consideration, it is posited that:

**Proposition 9: Cultural value orientations will not be significantly and positively related to employee preference for HR policies and practices for Indians living and working in Australia.**

**Implications and Avenues for future research**

HRM has achieved significant importance in the last decade both in terms of academic and practical debate however as our understanding of this field has grown so have our concerns about its relative importance and applicability in a cross-national context (Sparrow and Wu, 1998). Several scholars note that HR policies and practices can be determined by both ‘culture-free’ (i.e. size and nature of organisation) and ‘culture-bound’ (i.e. national culture and institutions) factors (Budhwar and Sparrow, 1998; Fisher and Shaw, 1992; Hofstede, 1993; Easterby-Smith et al, 1995) that can influence the design of HR policies and practices. While acknowledging the role of contingency factors, scholars argue that more culture-bound arguments (such as, national culture) need to be applied to the field of human resource management (Brewster, 1995; Budhwar and Sparrow, 1998; Easterby-Smith et al, 1995; Hofstede, 1993; Sparrow and Hiltrop, 1997). This is critical as it will promote further studies in cross-national context and is important for the growth and development of HRM as a discipline (Budhwar and Khatri, 2001). Yet, despite such realisations, extant literature shows very little national and cross-national comparative HRM research, especially between developed and developing countries (Budhwar, 2000). With the recent developments in developing countries including the emergence of newly industrialised economies (such as,
China and India), both academics and practitioners are eager to learn about HR patterns originating within various parts of the world.

In this context, not many studies have examined the impact of cultural value orientations of people originating from one country but living and working in different socio-cultural contexts (Budhwar, Woldu and Ogbonna, 2008) while no study that the authors are aware of have measured the subsequence impact on the design of HR policies and practices. Future researchers in this regard need to find out whether cultural value orientations of employees originating from a developing country but working in a developed country impact preference for HRM practices, and if so, to what extent? The argument is that cultural value systems and orientations are deep pre-existing structures developed in early stages of socialisation, whereas the preferences for specific HR policies and practices are developed at a much later stage (Nyambegera et al, 2000) and therefore it is reasonable to assume that cultural values predict HRM preferences. But whether cultural value orientations can also predict HR policies and practice preferences of employees originating but working in a different socio-cultural context is something that is yet to be found out. By making comparisons on Indian socio-philosophical grounds and applying it in the Australian context, researchers can gain an in-depth understanding of cross-cultural comparative HRM practices. This thus becomes a very important avenue for future research exploration.

Conclusion

This article whilst conducting a review of the literature on Indian and Australia culture and management practices applied scores of Kluckhohn and Strodbeck’s cultural orientations to set a future research agenda examining the cultural value orientations and preference for HRM practices of Indian employees living and working in Australia. By using Kluckhohn and Strodbeck’s cultural dimensions to predict HRM preferences, this paper has not only supported the existing view that this framework has played an important role in laying down the foundations upon which much of the theory and cross-cultural research on cultural orientations is based but it has also validated that this model is very useful in predicting preference for HRM practices. However, there is still a strong need for further empirical research on cross-cultural issues to test how the model proposed by Kluckhohn and Strodbeck can determine HR policies and practices in different socio-cultural contexts.
References


## Table 1: Cultural Value Orientations and Their Specific Dimensions

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<tr>
<th>Cultural Orientations Type</th>
<th>Description of Their Specific Features</th>
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| **Activity Doing (AD)**   | • Belief of a society is in living to work, not in working to live. The national and organisational cultures of such a society puts more emphasis on work related activities and goals (i.e. hard work is always commendable).  
  • People should continually engage in activity to accomplish tangible tasks. |
| **Activity Thinking (AT)** | • Belief of a society to weigh every aspect of business decisions very carefully. Such a society uses careful logical analysis and planning to reach a predictable business decision (i.e. it is always better to stop and plan than to act in haste).  
  • People should consider all aspects of a situation carefully and rationally before taking action. |
| **Activity Being (AB)**   | • Belief of a society that one works to live, and enjoy all aspects of life even at the cost of not getting work done. Such societies emphasise quality of life over financial accomplishment (i.e. quality of life is more important than financial achievements).  
  • People should be spontaneous, and do everything in its own time. |
| **Human Relation Individual (HRI)** | • Belief of a society in a philosophy that encourages the independence and self-interest of its members. Such a society also rewards individuals for performance and expects individuals to be accountable (i.e. society works best when each person serves his or her own interest).  
  • Our primary responsibility is to and for ourselves as individuals, and for our immediate families. |
| **Human Relation Collective (HRC)** | • Belief that one’s workgroup or unit is more important than one’s own individual performance. In such a culture, society expects individuals to sacrifice their own interest for the good of all (i.e. every person in a team should be responsible for the performance of everyone else on the team).  
• Our primary responsibility is to and for a larger extended group of people, such as an extended family or society. |
| **Human Relation Hierarchical (HRC)** | • Belief that hierarchy of authority is the best form of organisation. People at higher levels in organisations have the responsibility to make decisions for people below them and maintain a distance between leaders and followers (i.e. a hierarchy of authority is the best form of organisation).  
• People and responsibility are naturally unequally distributed throughout society; those higher in the hierarchy have power over and responsibility for those lower.  
• Belief of a society that human beings have a significant effect on the events in their lives and can do almost anything (i.e. given enough time and resources, people can almost control anything).  
• We should control, direct and change the environment around us. |
| **Man to Nature Mastery (MNM)** | • Belief that human beings work together in harmony with each other and the environment. The culture of such a society emphasises balance in the elements of the environment (i.e. it is important to achieve harmony and balance in all aspects of life).  
• We should strive to maintain a balance among the elements of the environment, including ourselves. |
| **Man to Nature Subjugation (MNS)** | • Belief of a society that people’s life is destined or controlled by supernatural forces; thus whatever actions societies and individuals take have little influence on the outcomes of events (i.e. we have little influence on the outcome of events in our lives).
  • We should not try to change the basic direction of the broader environment around us, and we should allow ourselves to be influenced by a larger natural or supernatural element. |
| **Human Nature Good/Evil (HNG/E)** | • Belief of a society that people are either born good or bad; Employers and employees do not trust each other, and as a result employers will try to impose a strict control over employees (i.e. if employees do not submit receipts for their expenses, they are likely to lie about how much they spent).
  • The basic nature of people is essentially good or evil. |
| **Human Nature Changeable (HNC)** | • Belief of a society that anyone can change from good to bad and from bad to good (i.e. anyone’s basic nature can change).
  • The basic nature of humans is changeable from good to evil or vice versa, or not changeable. |

(Source: Adapted from Aycan et al, 2007; Maznevski et al, 2002)