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**Abstract of the Diploma Thesis**

**Analysis of Human Resource Management according to  
international cultural differences**

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## **Summary**

Introduction of the thesis appraise the status of international company and its Human Resource management according to international cultural differences in researched company and its eight branches that are located around the world. Chapter thesis objective and methodology defines the main objectives of this work and the way how the thesis is elaborated. The theoretical part includes professional literary quotes and defines key terms of HR activities, international HR management, employee remuneration, promotion strategy, learning and development, leadership styles, culture and Hofstede's dimensions of national cultures. The practical part analyzes the HR activities based on interviews focused on headquarter in Czech Republic and branches in United States, Australia, Germany, Russia, Italy, United Arab Emirates and Singapore and explores their diversity and cultural differences. After the results are evaluated and proven or rejected assertions that Human Resources policies in the international company is the same and must always be taken into account different environment, culture, different customs and number of employees. Further the results are assessed based on Hofstede's dimensions. Conclusion of the practical part is devoted to recommendations for the management, which was established based on data analysis.

**Keywords:** Human resource management, HR activities, culture, international companies, International differences, Hofstede's dimensions

## **Introduction**

A company that wants to succeed in a globalized market is looking for different ways how to expand and ensure the functioning not only of the headquarters but also of its branches in order to differentiate and give them the advantage in the market. In the area of international trade a person usually think of all sorts of companies, organizations and countries. These entities are always managed by people. Organizations must learn to take into account the different cultures, habits, psychology, laws, customs and traditions established in the other states. Therefore, it is important that these cultural differences take into account not only from the perspective of the employee but also the interests of the employer. Employers can lay down certain rules that can drive the whole society, but there are rules that cannot be set and those are based on the national culture. National cultures cannot be united within the business, but need to understand.

## **Aims**

The aim of this work is to show how international and cultural differences in Human resource management take place in the activities of selected international company in practice across 8 different branches. Once data has been collected it is compared within the branches and it will be proven or disproven that “There are significant difference between the selected countries in different environment, culture, number of employees and different customs with the common HR management”. Found differences within the HR management in the eight branches of the company are explained in conclusion and recommendations. This diploma thesis may be use as a toll of effectiveness for some eventual changes in HR department of the company.

## **Methodology**

Method of content analysis: is used for literature review.

Semi-structured interview: Qualitative approach that focuses on the narrative technique of the interviewee. Questions explore the HR activities with common HR management in 8 different countries.

Choosing of representative interviewee: Chosen representative of HR department that manages HR activities in headquarter and in all branches.

Types of questions: Close and open questions. The aim of the survey obtains necessary information about HR activities, international HR management, employee remuneration, promotion strategy, learning and development, leadership styles, culture and Hofstede’s dimensions. Questions are formed consecutively according Hofstede’s dimensions

Results and recommendations: Based on *comparative analysis*.

## **Conclusion**

Performed research determines how the international company is set to HR management with regard to international and cultural differences in 8 branches. The branches of researched company follow the same personnel policy that is managed from the headquarter in Prague, Czech Republic. But it differs in practice and that is why the interview were evaluated. In general, it is impossible to follow exactly the same personnel policies. There are differences between branches in Czech Republic, USA, Australia, Germany, Russia, United Arab Emirates, Italy and Singapore as well.

Results based on comparative study were presented in interviews and illustrate consensus in the organizational structures that is the same in all branches. Diversity is shown in case of different nationality of leader in four cases, common consultative leadership style, promotion strategy, in branches prevails management of individuals, social activities are the most common in the headquarter, best long-term benefits get the Czech employees that have even as the only ones the possibility to invest in company shares. Rewards in branches are in mostly based on achievement. Top management is mostly consisted from men, as the company is technically oriented and they involve themselves in daily operations only when is necessary, often they have secretary and specialists. Conflicts at the workplace are mostly solved through negotiation. To employees is mostly provided home office and individual working hours. Rules are not very strict in branches, but the headquarter started to spread new rules. The best support of learning and development have also Czech employees. Other branches have mostly the possibility to attend the seminars in Prague. Differences in customs and cultural behavior according to Hofstede's study were found in many cases and are described in recommendations. When comparing the eight branches of the same company it was found that even though the habits, environment, culture, behavior, customs, number of employees or religion issues are different, HR management within the company follow the same strategy and the hypothesis is proved.

## **Recommendations**

According to the Hofstede's results and the set HR activities may be stated for branch in:

- Czech Republic: Czechs would prefer to work alone with focus on his or her own interests and prefer more the material success. Czechs also like to avoid unfamiliarity by using rules. Czechs are very short-term oriented and prefer more independent thinking, immediate results, freedom and power.
- United States: US employees prefer horizontal structure, their own interests and they like to work on themselves. The management in US branch could be more focused on material success, ambitiousness, innovation, independent thinking, power and freedom.
- Australia: Employees in Australia would prefer more horizontal structure. The company should take into account and that their employees have large ambitions then may seem. There is preferred balance between the rules and innovations.
- Germany: The company should take into consideration that German employees may prefer horizontal structure, with the German and not Italian leader. The company should

focus more on motivation of employees take into consideration that the employees may prefer precision and rules thanks them they will feel safer.

- Russia: In Russia is preferred centralization, more subordinates, and tall organizational structure. Russian branch is collective and prefer management of group. For the company it means that the rules and precision as the Russian people think what is unknown is dangerous.
- United Arab Emirates: There is preferred centralization, more supervisors, tall organizational structure, rules, individualism and clearly defined hierarchy. Results of Hofstede's study may be taken into account if the branch extends. Also is preferred masculinity as women are not in business respected.
- Italy: In case if the branch would extent in future the company should keep the balance of involvement the leader and the employees. They like to have their own interests rather than work in teams. Italians prefer ambitiousness and rules rather than fair remuneration and modesty.
- Singapore: In case the branch would enlarge the company should take into account that in Singapore is preferred centralization, more supervisors, tall organizational structure and rules. Also is preferred innovation and differences.

Although the Czech Republic and the other seven foreign countries are compared to the Hofstede's system, it does not indicate the validation of the whole theory. The contribution of research lies mainly in concrete examples of intercultural differences in HR activities that the narrator experienced.

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