CULTURAL IMPLICATIONS OF HUMAN RESOURCE DEVELOPMENT

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The Southeast Asian region, over the last thirty years, has experienced as tounding economic performance. Rich in cultural diversity, this region already contains some of the fastest growing economies in the world and is likely to continue to play a central role in world financial markets well into the next century. Nevertheless, change is inevitable. In this world of rapidly transferable global information, freer international markets and a higher demand for productivity, financial institutions and companies are being forced to rapidly evolve new methods and techniques in order to maintain a competitive edge. As the dawn of the new millenium approaches, this region, its organizations and its people, will face new challenges and new problems bringing about fundamental changes to culture, values and life-styles.

For the individual, his or her life-style will be affected in both the short and long term. Some changes will be undesirable and negative, such as wide-spread commercialism, creation of inequitable wealth leading to a strong desire to obtain money, and possibly unemployment and labour unrest. Some changes will be of a temporary nature and are likely to disappear once individuals and societies have learnt how to cope better. Other, particularly the longer term effects, are generally of a much more positive nature and will usher in much more dramatic and pervasive changes.

Short Term Effects

Increased competition will, in the short term, affect company investment strategies. In an effort to reduce production costs, companies will be looking for new areas of cheap labour ; Vietnam and Southern China are typical examples. In countries which were the traditional sources of cheap labour such as Thailand and Malaysia, companies may well introduce new, labour-saving technology. Both these measures will have a profound effect on the culture and values of the people in this region.

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With new wealth flooding into previously impoverished areas, the effects on the indigenous people will be similar to what has happened already in other countries of Southeast Asia. Commercialism and the desire for material goods will be a short to mid-term negative result. These undesirable elements often more pronounced in cultures where appearance and status are highly valued such as Thailand. There, status is measured in terms of material items such as a gold bracelet, a house or a car. While there is nothing wrong with acquiring these things in themselves, the desire to own and the love of money can reach a stage where it will start to debase society as a whole. In Thailand for example, bodies of accident victims have been looted by so-called rescuers, monks, once highly regarded by lay society, are now subject to abuse, and there are advertisements on television reminding people that Thais are by nature a loving and caring people. The principle of the Thai religion has become obscured by the effects of wide-spread commercialism. There are still more ill effects which flow from this situation where people desire money above everything else : the spread of prostitution, corruption and a rising crime rate. This situation is not confined to just Thailand and effects many countries in the region. It is already starting to emerge as a serious problem in Vietnam where much economic investment has recently taken place.

However, these and other problems are likely to be of a temporary nature and are caused by an inequal distribution of wealth. When the wealth of a country is more evenly distributed, many of these problems such as prostitution and corruption will receed (but probably will not disappear). People will not be so desparate to want money. Nevertheless, the time-span for an equal distribution of wealth is presently open-ended and rather vague. In many countries in the Asian region, the economic welfare of the rural population is often dramatically behind that of the urban, city dwellers. Indeed, some government industrialization policies concentrate on G.D.P. and give little thought to rectifying this inequity in wealth distribution. Even after three decades of industrialization, years of double digit growth rates, and all the arguments of the so-called trickle down effect, per capita income in Thailand in 1989 was above US $ 2200 for Bangkok, compared with US $ 820 for the country side (Elegant, 1990, p614).

Nevertheless, when wealth is more equally distributed, commercialism will still be evident. People will still buy gold bracelets and Mercedes Benz. Changing that type of social value may take a lot longer. Indeed, no society in the world as a whole has eliminated it although people have become more educated, for want of better word, and understand the undesirable effects of commercialism. Personal values will play a part in reducing rampant commercialism and changing personal values is really matter of education.

In countries which introduce new labour-saving technology an increase in unemployment, worker activism and labour unrest may also occur. This has been happening in Thailand over the last several months. When new technology was introduced to the hitherto labour intensive garment manufacturing industry, mass demonstrations and protests resulted. For countries who have invested rather poorly in human resources and support, this is likely to be a major problem in the future. It is a growing pain of industrialization but one that is not going to go away and governments would do well to act quickly and plan for the future rather than ''passing the buck'' and shying away from their responsibilities. Those that bury their head in the sand, thinking that their economic growth bubble with never burst, are sadly deluding themselves.

If labour saving technology is slow to be implemented, companies will rely on increased productivity to maintain a competitive edge. Such a move will

again effect worker behavior and pose fundamental questions regarding attitudes to work and employer responses to these questions.

One of the prime questions increased productivity will ask is about the type of career a typical employee will desire. For those involved in assembly line work, an increase in productivity meaning longer working hours, may be seen as a necessary burden for the short term which will yield rewards at a later stage. Studies of female assembly-line workers employed at a Japanese electronics company in Thailand show that most would retire from the workforce by the time they were about thirty (Hiranpruk. in press). Hence, although the productivity push meant long hours of overtime, less socializing and less time with their families for two or three years, most of these girls did not complain simply because of the increased pay cheque.

For those, however, who consider their working career much more long term, continual drives to increase productivity will likely be met with the adoption of new (at least to this region of the world) forms of office behaviour. More flexibility when it comes to office hours, holidays and overtime will go some way in increasing worker morale and hence productivity. These measures, carefully monitored, have helped in some Western countries even in times of economic slowdowns. The initial steps of this type of working behaviour was raised for discussion by the Thai Government earlier this year, when it suggested that some government employees could work at home in order to avoid Bangkok's demoralising traffic jams.

Long Term Effects

Perhaps one of the prime forces of change is the rapid rate of information exchange which is now taking place. With the advent of the fax machine, satellite communications and high-powered computer networks, today's entrepreneur can sell his product at the remotest market of the earth from the comfort of his own office. With such technology, companies are no longer multi-national but global, able to reach markets and customers and to provide their services to more people than they have ever been able to before. However, globalization means more than being multi-national ; it envisages new corporate structures as well as new philosophies and practices than those currently in place in the multi-nations. Some of the companies today are starting to make those changes, for example Sony and Matsushita. However, these companies are still a long way off from being truely global and will not be for quite some time yet. Nevertheless, they could be a sign of things to come.

For companies, in the longer term, increased productivity, competition and consumers with a higher disposable income is likely to herald an era where consumers will demand products that are more suited to their tastes. Consequently, a trend towards localization will take place forcing companies to be more receptive to customer demands. The larger multinational companies trend towards global firms will effectively meet this challenge. Such a move will bring about a new multicultural style of management, borrowing the most efficient techniques from a number of sources, and affecting the entire corporate structure. In terms of human resource development, many organizations will need to retrain employees in order to effectively cope with this change.

If current trends are anything to go by, global companies in the future will maintain their headquarters in their own country while decentralizing their operations in a controlled manner in various countries. Although local offices would be given a certain amount of power, their operations will be nonetheless

stongly coordinated with headquarters in the parent country. Sony, in its evolution to a globalized company, initially set up a multinational empire beginning in the early 1970's. Each country was considered a separate subsidiary to headquarters in Japan and not affected by its actions. However, as Emmot (1993, p118) points out, it was severely hurt by its country subsidiaries in the 1980's primarily due to a lack of coordination and a sense of responsibility to headquarters ; closer coordination, especially concerning global marketing decision, could have saved many dollars in lost profit.

Globilization will not just be confined to companies, it will also affect the products they make. With increased competition in the market place, we are likely to see more and more products vying for market niches. The essential point to remember here is that while companies may be globilized, markets are not and just as culture differs from place to place, so does taste. With more products available, consumers will become more selective on what they will spend their money. This will force companies to pay particular attention to local consumer tastes and needs ; in effect making them more local. But how this happens will depend largely on the type of product a company makes. In some areas these local tastes will not be all that different and we will see an international model become a global model ; the Sony walkman being an example of this global product. Other international products and models may only require minor adaption to meet local needs such as a change to accomodate the local power voltage. Nevertheless, for the success of products such as automobiles, knowledge of local markets and tastes will prove vital.

If headquarters remains in the parent country so too will the research and development department, at least the major part of it. New products developed for global consumption, need to be developed in close association with the global policies of the company. Since these policies are made at headquarters, it makes sense that the research and development (R&D) section will also be with the parent company. However, what is likely to happen at headquarters is the development of standard yet vital product components. Local R&D centres will then use their knowledge of particular local tastes to customize the product for that particular market. For example, a car manufacturer may develop the engine at headquarters while the local R&D centres would combine these standardized components in a manner to reflect local consumer tastes, such as four-wheel drive vehicles in the United States and Australia.

Increased competition and free competitive markets also act to create more uncertainty within companies ; products are not assured of a success as they are in a controlled market economy. Consequently, firms must come to terms with this increased uncertainty. The tremendous success of Japan was based very much on a controlled domestic market with the large companies forming industry oligarchies. However, when these same firms moved into the United States and started competing in the aggressive, competitive domestic market which exists there, not all of them proved so successful (Sullivan, 1992, pp31-43).

To handle this uncertainty will require adjusting to a different set of attitudes than exists in some firms at present. New techniques in office management, sales and marketing will be required by some companies ; in effect it is a case of teaching an old dog new tricks. Whether the old dogs can learn these new tricks will largely depend on how companies see their future role in the world economy. For those that aspire to be global companies, it is a necessity that these new methods be learnt quickly.

For example, a new system of command will emerge. Management will become much more internationalized with a troop of multi-nationalized managers assuming top positions in the company.

The emergence of an international troop of managers will lead to an increased dependence on multi-cultural and multi-national training. Managers are likely to spend more than one tour of duty in foreign countries learning the intricacies of each. Indeed, unlike the present multi-national approach where a manager from headquarters is trained for an overseas assignment (i.e, parent country to country A), we are likely to see a native-born foreign manager trained for an overseas posting (country B to country C). This has started to happen already although at present it is the exception rather than the rule. In Thailand, Shell employs Malaysian and Egyptian managers and in 1991 Sony posted an Englishman to manage its operations in Pittsburgh (Emmot, 1993, p118).

This multi-national training, however, will not just be directed at communication skills or even local specialities although both of these are important. Moreover, this training will be focussed with a clear idea of the company's central policy. It will be necessary for a local manager in say Thailand to know what his company's policies and objectives are relating to near-by countries such as Malaysia and Indonesia as well as the home country of his company. Consequently, we may see more rounded managers appear with not only a handle on the specifics but also global generalities. If this is to happen, local and regional managers would need to attend the board meetings of the parent company on a regular basis and / or undergo additional training in the home country so as to grasp the companies global objectives.

But this overseas training needs to be comprehensive and more than just rounds of socializing and sightseeing. Indeed, those educators in the home country ideally should have had previous experience with the cultures they are involved with (Sullivan, 1992, p152). Some of the today's companies aspiring to become globalized are doing this at the moment. Matsushita in 1991 ambitiously launched a program whereby it imports 100 foreign managers per year from its overseas subsidiaries for a long term assignment in Japan. These people are not just assistants but are given their own responsibilities. With the communication **in English,** this program will not only impart a lot of information and knowledge to the overseas recruits but it will also expose the Japanese bosses and people working with these personnel to Western ideas and modes of behaviour. Matsushita. perhaps wisely, sees that its Japanese managers who have little experience with Westerners may well hold back its continuing development in the years to come (Emmot, 1993 pp.120-121).

This global style of training would place an additional emphasis on **the importance of English as the medium of communication.** Already the most widely spoken language in the world, globalization would ensure that it is used in places where it is currently not. This would particularly be the case for the emerging Japanese and Asian global companies where the language of the boardroom and for the majority of international communications between headquarters and the various countries is in Japanese, Chinese, Korean and other Asian languages. With more foreigners involved in the discussions of the boardroom, English would have to be used. Communications between headquarters and foreign managers would also necessitate the use of English even though at present the fax machine allows rapid communications in Japanese or Cantonese. In the future, with quicker, more powerful computers and satellite communications, English will come into its own as it is much easier to program a computer in English than say the Asian languages. Many companies are aware of this as Matsushita's 1990 slogan ''Breakthrough'' the company's first in English demonstrates (Sullivan, 1992, p162).

Nevertheless, this aspect of globilization may also stimulate the reverse trend with more of the foreign managers and employees learning Japanese and

other languages of the parent countries. An example of this is seen happening in Australia. Recognizing that its economic future lies with the rest of Asia, over the last decade or so, more emphasis has been placed on learning Asian languages. Indonesian, Mandarin and Japanese are now offered at secondary schools which previously offered only French and German ; Australia has the most students learning Japanese outside of Japan. Such regional languages, will assist foreign employees posted abroad and provide insights into the culture of a country.

However, communication in English is not just a mere matter of using words to impart meaning, perceptions about that meaning are just as important and special attention should be given to these in the teaching of the language. The newly posted manager, to which English is not his or her native language, may give harsh and arrogant sounding orders to subordinates when in their own culture this may symbolize closeness or respect (Sullivan, 1991, p171). In Thailand for example, instead of saying ''excuse me'' when trying to attract someone's attention, one often hears a direct translation of the Thai, polite in a Thai sense but it comes across as rather harsh English, ''hey you !''

There would also need to clarify and define essential business phrases in terms of conceptions as well as literal meaning. For example, Sullivan (1992, p167) has pointed out that a term such as ''more than 25'' is often understood differently in conceptual terms by two nationalities even though the meaning of the words is clear. If asked to collect boxes containing ''more than 25'' items, a Japanese manager may well include a box with 25 items. Even though he is technically incorrect, confusion will be created if he passes this order to an American or Australian subordinate. Similar problems over precise definitions are involved in a term such as ''delivery date'' and whether this means ''dispatched from the company'' or ''delivered to the store.'' A resolution of this problem will see the emergence of common or globalized definitions especially for the conduct of business and this may even infiltrate everyday speech given enough time . Indeed, we may even see the internationalization of particular local vernacular to a greater extent than we do at present.

This mutual defining which must proceed in the English language will also have to be undertaken for office and business procedures as well. What is likely to emerge out of this global management regiment is a common company culture, based on the parent country examples, which will tend to level the cultural differences between individuals from different countries. Office procedures such as inter-colleague communications, boss-employee relations and punishment will become more or less standardized throughout the global empire of the company. This would allow the easy transfer of management from posting to posting and reduce the ''settling in'' time required for new managers.

Matsushita is currently adopting some measures such as these. It will very soon have standardized personnel evaluation policies in all of its operations outside of Japan. Promotion for example will be based on adherence to its company culture defined in terms of leadership ability, crisis management and other pre-defined criteria (Sullivan, 1992, p188). We also see this type of approach in many ''global'' fastfood outlets : walk into a Mac Donald's fast food outlet anywhere in the world and you will be greeted in a typically American manner. But for personnel working for Sony, or Philips, office procedure is a little more complex than selling a Quarterpounder and management and human resources trainers will also have to consider local variations in culture and customs.

For example, the way different cultures handle certainly of the market place is often reflected in office procedures and office communication. Japanese

company offices are very often open planned with a lot of direct, face to face communication between colleagues and bosses alike. The idea is to let everyone know what is going on and therefore reduce uncertainly. In America, however, staff tend to rely on time-saving memos to a far greater degree than their Japanese colleaques and are really concerned only with their own job ; they work more independently. Sullivan (1992, p158) has noted that the Japanese are less able to handle uncertainly than Americans and may find this a problem with markets fast becoming freer and uncertain. Similarly with office discipline : when mistakes are made, most Western firms want to know what went wrong and who was responsible to it. Japanese firms on the other hand want to reconcile the parties and ensure no repeat of the mistake. They prefer to protect the future rather than explaining the past.

The same occurs in Thailand. An expatriate manager is likely to get undesired results if he adopts disciplinary measures common in the west ; some sensitivity to the local culture is needed. This is currently the task of cross-cultural training but it is likely to become more important with the trend to globilization in the future.

The way different cultures make decisions is also an important area which will need defining if companies are to become globalized. Arriving at decisions through a consensus approach is not the same to different cultures. For some, and this includes a lot of Western cultures, consensus is arrived at through constructive argument where each employee is free to express his or her own will and to offer criticism. In other cultures, decisions are made by top management and then passed on down to the subordinates. Consensus in this manner, means disseminating information to allow everyone to know what is happening and to allow them enough time to ''get on board.'' Free exchange of ideas in cultures where keeping face is important is often confined to late night drinking sessions.

Techniques to overcoming these cultural differences is where human resource training will play a decisive role. There is a need to provide times and vehicles for free exchange of ideas which will create a climate of cooperation, where ideas and grievances can be aired openly or in such a way so as not to provoke retaliation. In the United States, Honda provides informal chit-chat groups which allow an emplyee to do precisely that (Sullivan 1992 p171). Another technique is to provide a company newsletter or magazine which disseminates information on employees concerning company policy, operations, performance and the economic climate. Such house organs exist in most companies but again in the West, they are little more than company propoganda (Sullivan, 1992, p172). Perhaps more employee socializing should also be encouraged.

These examples provide a case where different cultures can learn from each other. Japanese companies could use memos to make their operations more efficient and Western firms could borrow from the Japanese regarding disciplinary measures. With a global company, we are likely to see this occur when a common company culture is adopted. The overall effect will be to create a more efficient system by borrowing the best from the different cultures concerned.

But it still will be prone to the local vagaries of character. An example of this is the use of slogans in the workplace. The use of a company slogan brings the power of language into the workplace and force the employees to take a step back from their everyday work and to view the company in a wider context of what it is trying to achieve. They work well in Japan but are not so efficient in Western cultures who tend to view this type to rhetoric with suspicion ; regarding it as a form of brainwashing. This is not necessarily so, but it illustrates the

point that what works well in one country may not work well in another. Human resource trainers will need to be aware of such differences and be perceptive as to how the global culture will need to be altered to meet these local characteristics.

Globalization is already taking place although at a very slow rate. It is not likely to proceed any faster than it has done in the past although proceed it will. More and more companies are slowly changing their corporate structures to accommodate their future needs with a global perspective. Governments and individuals can also facilitate the transition.

Future Needs

To effectively meet these challenges of the future, countries will need to invest in human resources starting with education. A better educated population is the best way to change outdated or negative cultural ideas and perceptions. If a country's people are better educated, commercialism and other social ills are less likely to spread.

A better educated workforce implies a more skillful workforce. In particular, to meet the challenge of globalization, a country will require skilled technical personnel to work in the localization of a product. Some countries already have the required skills in abundance ; others such as some of those in Asia and the Pacific do not. This is particularly the case in countries which implemented "import substitution" development programmes during the 1960's. Thailand is a classic example. Multinational companies invested in Thailand primarily to take advantage of the cheap labour it could provide. Yet thirty years later, there has been very little technology transfer and presently the country suffers from a lack of skilled engineers. There are a number of reasons for this but primary among them is government policy.

Countries, such as Thailand, will now have to pay a high price for their past neglect of this area of human resources. In the short term, the future looks rather bleak and will necessitate the importation of professional personnel to meet the demand. In its rush to increase the number of engineers, the government has increased the number of institutions which can offer degrees. However, without careful monitoring to ensure international standards of professionalism are met, the government runs the risk of churning out less qualified engineers and lower skilled personnel. This would not bode well for the country.

The government has also tried to stem the so-called brain drain from Thailand and to encourage those professionals who have migrated to return. But these measures are still in their infancy and will take some time to bear fruit. Nevertheless they are worth pursuing as returning professionals can transfer knowledge of new skills and techniques quickly and for a fraction of the cost it takes to send people abroad to train.

Nevertheless, these measures are a case of closing the stable door once the horse has bolted, and would not have been necessary if the government had followed a clear plan of developing the country's human resources. Other countries in the region can learn from the mistakes of Thailand and take a wholistic approach to the direction of their industrialization and modernization ; one that includes people and lifestyle factors rather than just purely economic factors.

A fundamental question that governments of the region should ask is who benefits from industrialization ? The quality of life for the whole population should improve as a result of development rather than for just a few individuals. The problem of inequitable distribution of wealth in a country needs to be addressed. If unemployment emerges as a problem as a result of insudtrialization,

perhaps it will behove a government to develop some form of social welfare system in order to help the masses. All these issues are a matter for government policy which clearly defines the aims and goals of development.

However, government can only do so much ; it is really up to the companies and ultimately the individual if the challenges of the future are to be met. There will be a need for more cross-cultural training to train the future global managers with emphasis placed on learning and using the best from each culture. People will need to develop open minds about other cultures and practices and learn to recognize their strengths and weaknesses. Companies will need to be more flexible in adopting new work practices to tackle the demands of increased productivity, freer markets and globalization.

There needs to be an understanding that cultural diversity is strength in itself. Companies and individuals must also get away from the xenophobic approach that one's own culture is best. This will be difficult especially for those cultures which perpetuate their uniqueness and truely believe they have nothing to learn from the rest of the world. For some countries of the Asian region, these attitudes may prove a hinderance to globalization. While many Japanese companies are promoting global work practices in their overseas companies, there is no such approach in Japan itself. Other traditional factors may also hinder the development of a harsh analysis of what is good or bad. The traditional patron-client relationship and the short-term or present time conception, very common in Thai culture for example, may be one reason why the country has not developed a long term development plan but seeks immediate investment from more economically powerful countries.

Meeting these coming changes in world business practices will be a challenge for the countries of this region. It will not be easy and may involve some painful introspection. Ultimately, this is a challenge for the individual. But if countries and cultures can change to sucessfully meet the demands which technology and progress are placing on them then the countries of Asia and the Pacific will continue to prosper and grow not only in economic terms but also in terms of the quality of life.

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