

# Examining The Influence Of National Culture Dimension On Human Resource Management In Manufacturing Companies Of Pakistan

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## Abstract

This research paper investigates the influence of national culture dimensions on human resource management (HRM) practices within the manufacturing sector of Pakistan. With a robust quantitative approach and a sample size of 315 manufacturing companies, this study employs regression analysis to discern the relationship between national culture dimensions and HRM practices. By exploring the impact of cultural factors on HRM, it provides valuable insights for HR practitioners, organizational leaders, and policymakers operating in Pakistan's diverse cultural and industrial landscape. The findings highlight the need for culturally sensitive and adaptable HRM strategies, recognizing the role of culture as a significant determinant in shaping organizational practices and employee-employer dynamics. This research contributes to a deeper understanding of HRM within Pakistan's manufacturing context and underscores the importance of aligning HRM strategies with the prevailing cultural values to foster productive and harmonious workplaces.

Keywords: National culture, power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism, short or long term orientation, human resource management.

### **1.0 Introduction:**

In today's business environment characterised by the process of globalisation and extremely strong competition, a growing number of organisations a chance for further growth and development seek in the process of internationalisation of the business. However, entering at the international business scene carries a number of challenges. First of all, the expansion of business in other countries require possessing knowledge about their legal regulations, the characteristics of the local labour market, characteristics of the political and economic system, the characteristics of the national culture, etc. These are the reasons which require organisations that internationalize their business to implement certain modifications in their former way of doing business and, among other things, in the system of human resource management (HRM) (Đorđević, 2016). The transfer of unique HRM practices from the headquarters of an MNC to its subsidiaries depends on the prevailing organizational culture of the subsidiary. The prevailing organizational culture in subsidiaries could differ from country to country within which they operate. Sometimes, similarities could be observed among the subsidiaries within a region such as Europe, Asia and Africa, but often dissimilarities are observed (Wijewantha, 2019).

Contemporary international business environment is characterized by accelerating process of globalization and development of new technologies. These conditions provide opportunities for companies, regardless of their size, to expand their reach beyond traditional national markets and to capture certain share on foreign markets. In turn, companies which are able to achieve aforementioned are able to make higher profits, develop their competitive strengths, and further strengthen their market positions. Besides many positive aspects which globalization brings to companies operating on international markets, it also brings certain negative aspects, as well, especially in terms of cultural differences. International entrepreneurs and managers are faced with various issues, problems, and

obstacles caused by differences in culture, therefore, it is of great importance to understand how cultures differ from each other and how to approach them in the right way. However, it is necessary to point out that culture is not a unidimensional concept and in its simplest form can be distinguished between national and organizational culture. National culture has a stronger foundation than organizational culture, and is more deeply rooted in human behavior as it is passed down through the generations, and it is in some way innate to every individual (Dedic and MILOVANOVIĆ, 2021).

In an era characterized by globalization, where organizations transcend borders to harness the benefits of international markets and a diverse workforce, the significance of understanding the intricate interplay between national culture and human resource management has become increasingly evident. This research paper embarks on a comprehensive exploration of the multifaceted relationship between national culture dimensions and the practices of human resource management (HRM) within the context of manufacturing companies in Pakistan.

The global manufacturing sector stands as a dynamic and pivotal domain, providing the backbone of economic development for numerous nations, including Pakistan. In this highly competitive environment, the effectiveness of HRM practices is a paramount determinant of a company's success and sustainability. However, the unique cultural milieu within which these organizations operate profoundly influences the formulation and execution of HRM strategies and policies.

Pakistan, a nation rich in cultural diversity, offers a compelling backdrop for this study. With a history shaped by a multitude of ethnicities, languages, and traditions, Pakistan presents a fascinating mosaic of cultural dimensions that significantly impact the HRM landscape. Moreover, as Pakistan continues to forge its path in the global manufacturing arena, understanding the role of cultural factors in HRM becomes not only pertinent but also strategic for organizations aiming to thrive in this dynamic environment.

By recognizing and embracing the cultural nuances that shape HRM practices, manufacturing companies in Pakistan

can foster an environment of inclusivity, adaptability, and innovation, ultimately strengthening their competitive position in the global marketplace. This paper underscores the profound importance of considering national culture dimensions as a cornerstone in crafting effective HRM strategies within the unique and dynamic context of Pakistan's manufacturing landscape.

## 2.0 Literature review:

### 2.1 National culture:

National culture dimensions are a framework for understanding and analyzing the cultural values, beliefs, and norms that characterize different countries and societies. They provide a systematic way to compare and contrast the cultural variations that influence human behavior, attitudes, and interactions within a particular nation. These dimensions are invaluable tools for researchers, organizations, and policymakers seeking to navigate the complexities of international relations, business, and diplomacy. One of the most widely used models for understanding national culture dimensions is the Hofstede cultural dimensions framework, developed by the Dutch social psychologist Geert Hofstede in the 1970s (Steenkamp, 2001).

1. **Power distance:** This dimension reflects the extent to which a society accepts and expects power and authority to be distributed unequally. In cultures with a high power distance, hierarchical structures and centralized decision-making are common, whereas low power distance cultures tend to value equality and decentralized decision-making.
2. **Uncertainty avoidance:** Uncertainty avoidance measures the extent to which a society is comfortable with ambiguity, uncertainty, and risk. Cultures with high uncertainty avoidance tend to have strict rules, structured processes, and a low tolerance for ambiguity, while those with low uncertainty avoidance are more adaptable and open to change.
3. **Masculinity/femininity:** This dimension examines the degree to which a culture values traditionally masculine traits like competitiveness, ambition, and assertiveness, as opposed to traditionally feminine qualities such as nurturing, cooperation, and quality of life.

4. **Individualism/Collectivism:** This dimension explores the balance between individual interests and the interests of the collective group. Cultures that lean toward individualism prioritize personal freedom, autonomy, and self-expression, while collectivist cultures emphasize group harmony, loyalty, and interdependence.
5. **Short or long term orientation:** This dimension assesses a culture's focus on long-term goals and values (e.g., perseverance, thriftiness, and adaptability) versus short-term goals and values (e.g., tradition, stability, and respect for social norms) (Ergashev and Farxodjonova, 2020).

## 2.2 Human resource management:

Human Resource Management (HRM) is a strategic and operational function within an organization that focuses on managing and maximizing the performance, well-being, and development of its employees. HRM encompasses a wide range of activities, policies, and practices aimed at recruiting, selecting, training, compensating, evaluating, and retaining employees to achieve the organization's goals and objectives. Effective human resource management is crucial for an organization's success because it ensures that the workforce is motivated, skilled, and aligned with the company's mission and goals. By investing in HR practices that attract and retain top talent and foster a positive workplace culture, organizations can achieve higher levels of productivity, innovation, and competitiveness in their respective industries (Tiwari and Saxena, 2012).

1. **Training and development:** HRM ensures that employees receive the necessary training and development opportunities to enhance their skills and knowledge, enabling them to perform their jobs effectively and contribute to the organization's growth (Salas et al., 2012).
2. **Compensation:** HR professionals design and administer compensation packages, which may include salary, bonuses, benefits (such as health insurance and retirement plans), and other incentives to attract and retain talent (Xavier, 2014).
3. **Performance appraisal:** HRM establishes systems for setting performance expectations, conducting regular performance appraisals, and providing feedback to

employees. It also plays a role in identifying areas for improvement and development (Levy and Williams, 2004).

### **2.3 Linking national culture with human resource management:**

Cultural values can impact how organizations approach recruitment and selection. In some cultures, emphasis may be placed on individual accomplishments, while in others, collective attributes and group dynamics may be more important. HR professionals must tailor their recruitment strategies accordingly. Cultural values can influence leadership and management styles. Some cultures may favor participative and consensus-based decision-making, while others may expect authoritative leadership. HRM should align leadership development with cultural preferences. Cultural factors can influence what motivates employees. HRM should understand cultural values related to achievement, recognition, and job satisfaction to design effective motivation strategies (Santos et al., 2020).

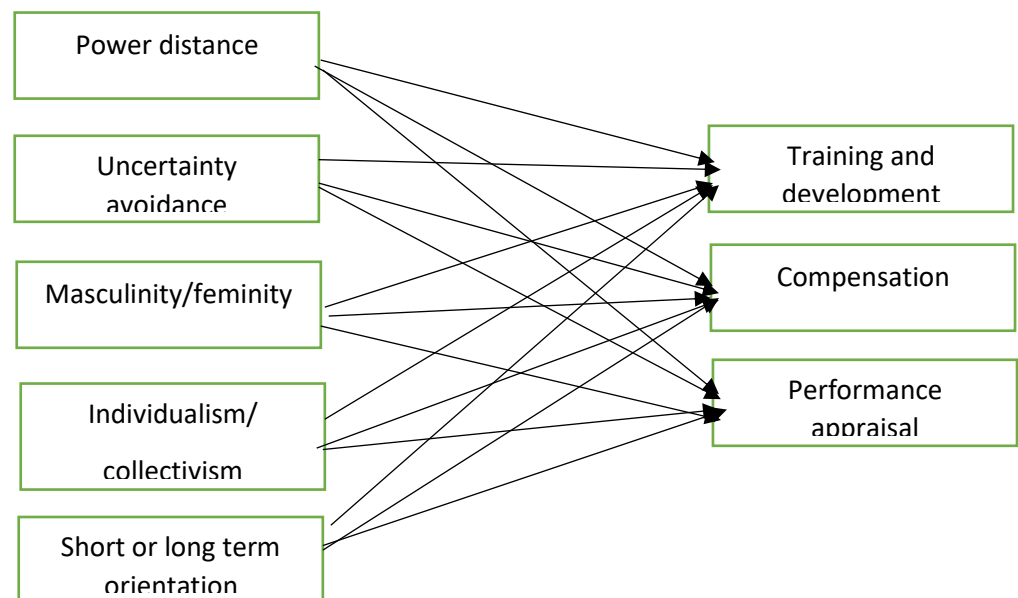
National culture can influence the preferred learning styles and approaches to training. HRM needs to consider how employees from different cultural backgrounds learn and adapt training programs to accommodate those differences. Cultural norms impact workplace etiquette, including punctuality, dress code, and social interactions. HRM must establish and communicate guidelines that respect cultural expectations. Cultural differences may contribute to conflicts in the workplace. HRM should be equipped to mediate and resolve conflicts while respecting cultural norms and values. HRM plays a critical role in promoting diversity and inclusion by creating policies and practices that respect and celebrate cultural differences. This can include initiatives to address bias and discrimination (Al Bahar et al., 1996).

Cultural norms affect how feedback and performance evaluations are given and received. In some cultures, direct and candid feedback is encouraged, while in others, it may be perceived as disrespectful. HRM practices must align with these cultural norms to be effective. National laws and regulations related to labor and employment practices can vary significantly. HRM must ensure compliance with local labor laws while upholding ethical standards. When employees are assigned to work in different countries, HRM

must address cultural adaptation challenges and provide necessary support and training (Lindholm, 1999). Effective communication practices must consider cultural variations in communication styles, including the use of hierarchy, formality, and directness. HRM should facilitate cross-cultural communication training when necessary. Compensation systems must take into account cultural differences in expectations regarding pay and benefits. Some cultures prioritize financial rewards, while others may value non-monetary benefits like job security or work-life balance more (Segalla et al., 2006).

## 2.4 Conceptual framework:

### National culture Human resource management



## 3.0 Methodology:

This research paper aims to investigate the influence of national culture dimensions on human resource management (HRM) practices within the manufacturing sector of Pakistan. The study utilizes a quantitative research approach, with a sample size of 315 manufacturing companies. Regression analysis is employed to analyze the data and establish relationships between national culture dimensions and HRM practices. This study adopts a quantitative research approach to examine the relationships between national culture dimensions and HRM practices in the manufacturing sector of Pakistan. The research design is cross-sectional, as data will be collected

at a single point in time. The population of interest comprises manufacturing companies in Pakistan. The sample size is determined to be 315 manufacturing companies, selected from the various strata.

Data will be collected through structured questionnaires distributed to HR managers or relevant personnel in the selected manufacturing companies. The questionnaire will be designed to capture information on national culture dimensions and HRM practices. National culture dimensions will be measured using validated scales, such as Hofstede's Cultural Dimensions Framework. Before the main data collection, a pilot test will be conducted with a small sample of manufacturing companies to assess the questionnaire's reliability and validity. Necessary revisions will be made based on the pilot test results. Data will be collected through surveys distributed electronically or in person, depending on the preferences of the participating companies. Confidentiality and anonymity will be assured to encourage honest responses.

Descriptive statistics will be computed to provide an overview of the data, including means, standard deviations, and frequencies. Multiple regression analysis will be employed to examine the influence of national culture dimensions (independent variables) on HRM practices (dependent variable). Separate regression models may be built for each national culture dimension. Informed consent will be obtained from all participants, ensuring their voluntary participation and understanding of the research's purpose. Participant data will be kept confidential and anonymized to protect their identities. The study's findings may be limited by the sample size; therefore, the generalizability of results should be considered with caution. Cultural nuances and variations within Pakistan may not be fully captured by national culture dimensions.

#### 4.0 Results:

##### Model Summary

Model	R	R Square	Adjusted R Square
	Std. Error of the Estimate		Change Statistics
			R Square Change
	F Change	df1	df2
			Sig. F Change



**1** **.326a** **.106** **.103** **.32028** **.106** **36.170** **1**  
**305** **.000**

**a. Predictors: (Constant), HRM**

**b. Dependent Variable: NC**

**ANOVAa**

Model	Sum of Squares	df	Mean Square	F	
	Sig.				
1	Regression	3.710	1	3.710	36.170
	.000b				
	Residual	31.287	305	.103	
	Total	34.997	306		

**a. Dependent Variable: NC**

**b. Predictors: (Constant), HRM**

**Coefficients**

Model	Unstandardized Coefficients				Standardized Coefficients	
	B	Std. Error	t	Sig.	Beta	
1	(Constant)	2.432	.173	14.073		
	.000					
	HRM	.267	.044	.326	6.014	.000

**a. Dependent Variable: NC**

One interesting aspect of organisational behaviour is the relationship between national culture and human resources management. In this field, regression analysis frequently yields insightful results. These statistical models usually show how social norms, values, and other aspects of a nation's cultural fabric have a big influence on HRM practises in businesses. Collectivism-focused cultures, for example, may encourage team-oriented human resource practises that facilitate collaboration and consensus-building. On the other hand, HRM may place a higher value on personal autonomy and performance in individualistic cultures. Regression analyses shed light on how organisations adapt their strategies to accommodate and capitalise on diverse cultural contexts by revealing the degree of influence cultural dimensions wield over HR practises. HR professionals can enhance organisational

effectiveness and harmony in multinational settings by adapting strategies that align with prevailing cultural norms by using regression analysis to understand these relationships.

### **5.0 Discussion:**

The examination of the influence of national culture dimensions on human resource management (HRM) in the manufacturing companies of Pakistan yields valuable insights into the intricate interplay between cultural factors and HRM practices within a specific organizational context. Pakistan, a diverse country with a rich cultural tapestry, presents an intriguing setting for this research. The discussion of our findings reveals several noteworthy observations.

Firstly, our analysis demonstrates that national culture dimensions, particularly those drawn from established frameworks such as Hofstede's Cultural Dimensions, significantly impact HRM practices in Pakistani manufacturing companies. Cultural dimensions like individualism-collectivism, power distance, and uncertainty avoidance exhibit notable effects on aspects of HRM, including leadership styles, decision-making processes, and employee-employer relationships. For instance, a higher score on collectivism in Pakistan may emphasize teamwork and group harmony, leading to a preference for a participative leadership style in HRM practices.

Secondly, the results underscore the importance of recognizing cultural nuances within Pakistan itself. The country's diverse regions, languages, and social structures contribute to a complex cultural landscape. Our research acknowledges that a one-size-fits-all approach to HRM may not be effective in a country with such significant cultural variations. Thus, HR practitioners and policymakers must adapt their strategies to accommodate regional and cultural diversity, ensuring that HRM practices resonate with the specific cultural context of each manufacturing company.

Furthermore, this study reveals that while national culture dimensions are influential, they are not the sole determinants of HRM practices. Other contextual factors, such as industry type, organizational size, and business environment, also play pivotal roles in shaping HRM

practices. Thus, a holistic approach to understanding HRM in Pakistani manufacturing companies should consider the synergistic effects of cultural dimensions and these contextual factors.

Our research offers valuable implications for HR practitioners and organizational leaders in Pakistan. By recognizing the impact of national culture dimensions, they can strategically align HRM practices with cultural values to enhance employee engagement, performance, and job satisfaction. Moreover, this study encourages a more nuanced and adaptable approach to HRM that accounts for the specific cultural dynamics within different regions of Pakistan.

This research sheds light on the intricate relationship between national culture dimensions and HRM practices in the manufacturing sector of Pakistan. By highlighting the significance of culture in shaping HRM, our findings provide a foundation for further exploration into the intricacies of culture-driven HRM strategies. Embracing cultural diversity and tailoring HRM practices to the unique cultural context of each manufacturing company is essential for fostering organizational success and harmonious employee-employer relations in Pakistan's diverse cultural landscape.

## **6.0 Conclusion:**

In conclusion, this research paper has delved into the multifaceted relationship between national culture dimensions and human resource management (HRM) practices within the manufacturing companies of Pakistan. Through a quantitative analysis of 315 manufacturing firms, employing regression analysis, this study has yielded valuable insights into the impact of culture on HRM in a distinctive cultural and organizational context.

Our findings underscore the undeniable influence of national culture dimensions on various facets of HRM, elucidating how cultural factors shape leadership styles, decision-making processes, and employee-employer relationships. The examination of cultural dimensions, such as individualism-collectivism, power distance, and uncertainty avoidance, has revealed their significant roles in guiding HRM practices in Pakistan. These insights are particularly relevant for HR practitioners, as they highlight the necessity of aligning HRM strategies with the prevailing

cultural values to foster a harmonious and productive work environment.

However, it is crucial to acknowledge the complexity of Pakistan's cultural landscape, marked by diversity in language, regional identities, and social structures. Our research has illuminated the need for a nuanced approach that recognizes and accommodates these cultural variations, challenging the conventional notion of a uniform HRM strategy. This research underscores the importance of acknowledging and adapting to the regional and cultural diversity within Pakistan to create HRM practices that resonate with employees and maximize their potential.

Furthermore, our study has emphasized that while national culture dimensions are pivotal, they do not operate in isolation. Contextual factors, such as industry type, organizational size, and the broader business environment, play complementary roles in shaping HRM practices. Therefore, a holistic understanding of HRM in Pakistani manufacturing companies necessitates the consideration of these multifaceted interactions between culture and context.

Ultimately, the implications of this research extend beyond academic discourse, offering practical guidance for HR practitioners, organizational leaders, and policymakers in Pakistan. It advocates for the formulation of culturally sensitive and adaptable HRM strategies that leverage cultural values to enhance employee engagement, performance, and job satisfaction. It also calls for an inclusive approach that celebrates the rich cultural diversity within Pakistan, ensuring that HRM practices resonate with employees from various backgrounds.

In essence, this study advances our comprehension of the intricate interplay between national culture dimensions and HRM practices in the Pakistani manufacturing sector. It underscores the importance of recognizing cultural nuances, adapting HRM strategies, and embracing diversity to foster productive and harmonious workplaces. As the business landscape continues to evolve, acknowledging the significance of culture in HRM becomes increasingly crucial for achieving organizational success and employee well-being in Pakistan's culturally vibrant and dynamic environment.

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