

OPEN ACCESS

ISSN 2280-4056

*E-Journal of
International and Comparative*

LABOUR STUDIES

Volume 8, No. 2, May-June 2019



ADAPT
www.adapt.it
UNIVERSITY PRESS

Scientific Directors

Lauren Appelbaum (USA), Greg Bamber (Australia), Stuart M. Basefsky, (United States), Daria V. Chernyaeva (Russia), Richard Croucher (United Kingdom), Maurizio del Conte (Italy), Tomas Davulis (Lithuania), Tayo Fashoyin (Nigeria), József Hajdu (Hungary), Ann Hodges (USA), Richard Hyman (United Kingdom), Maarten Keune (The Netherlands), Chris Leggett (Australia), Guglielmo Meardi, (United Kingdom), Shinya Ouchi (Japan), Massimo Pilati (Italy), Valeria Pulignano (Belgium), Michael Quinlan (Australia), Juan Raso Delgue (Uruguay), Raúl G. Saco Barrios (Peru), Alfredo Sánchez Castaneda (Mexico), Malcolm Sargeant (United Kingdom), Jean-Michel Servais (Belgium), Silvia Spattini (Italy), Michele Tiraboschi (Italy), Anil Verma (Canada), Stephen A. Woodbury (USA)

Joint Managing Editors

Malcolm Sargeant (Middlesex University, United Kingdom)
Michele Tiraboschi (University of Modena and Reggio Emilia, Italy)

Editorial Board

Lilli Casano (Italy), Emanuele Ferragina (United Kingdom), Antonio Firinu (Italy), Valentina Franca (Slovenia), Erica Howard (United Kingdom), Karl Koch (United Kingdom), Attila Kun (Hungary), Felicity Lamm (New Zealand), Cristina Lincaru (Romania), Nikita Lyutov (Russia), Merle Muda (Estonia), Boaz Munga (Kenya), Peter Norlander (USA), John Opute (UK), Eleonora Peliza (Argentina), Daiva Petrylaite (Lithuania), Aidan Regan (Ireland), Marian Rizov (United Kingdom), Salma Slama (Tunisia), Machilu Zimba (South Africa)

Language Editor

Pietro Manzella (ADAPT Senior Research Fellow)

Book Review Editor

Peter Norlander (Loyola University Chicago)

*E-Journal of
International and Comparative*

LABOUR STUDIES

Volume 8, No. 2 May-June 2019

@ 2019 ADAPT University Press

Online Publication of the ADAPT Series
Registration No. 1609, 11 November 2001, Court of Modena
www.adaptbulletin.eu

The articles and the documents published in the *E-Journal of International and Comparative LABOUR STUDIES* are not copyrighted. The only requirement to make use of them is to cite their source, which should contain the following wording: **@ 2019 ADAPT University Press**.

Cross-cultural Human Resource Management Practices: The Case of Nigeria, USA and Japan

Samuel Emeka Mbah and Owolabi L. Kuye ¹

Abstract

Purpose – The article focused on comparative analyses of human resource management practices across cultures. The aim is to investigate why and how HRM practices differ or similar in Nigeria, USA and Japan.

Design/methodology/approach – Authors adopted the qualitative content analysis relying mostly on the use of secondary data generated from the Hofstede’s cultural dimension scores; the descriptive table, Bar chart, empirical and theoretical literature.

Findings – Based on the comparative analyses, the study revealed that HRM practices of Nigeria such as recruitment and selection, pay for performance, performance appraisal, training, and employment type are in developing stage and require new ideas or innovation to improve their standards.

Research limitations/implications – HRM practices are not universal in application; rather are influenced by the way they are managed across cultures. For this reason there is the need for further research to focus more on “Best-fit” which would address issues in the local context than “Best practice” which relates to universal application. More so, Hofstede’s research findings might not correctly represent what the individual, group or country’s cultural value orientations are in reality. Yet, it has remained one of the most popular models in cross-cultural research.

Originality/value – More deficiently till date, no study in literature has specifically undertaken a comparative analysis of HRM practices of Nigeria, USA and Japan. It is the need to fill this knowledge gap and add to literature that prompted this research.

Paper type – Qualitative and analytical paper

Keywords – *HRM Practices, Cultures, Institutions, Nigeria, USA, Japan*

University of Lagos (Nigeria). Email address: smbah@unilag.edu.ng (Corresponding author: Samuel Emeka Mbah)

1. Introduction

The concept of culture is wide and complex. Culture contains ideas about different countries and as such has cross-country effects. Culture is defined in various ways. Taylor (1871) defines culture as a complex whole, which include knowledge, belief, arts, morals, laws, custom and any other capabilities acquired by man as a member of society. Culture is universal because culture is found in every human society and every organisation. A typical example of the culture found in human society is the “national culture” while the culture found in the organisation is called “organisational culture”

In a wider perspective, therefore, the concept of culture includes the national culture and organisational culture. Hofstede (2001) defines national culture as a profile of a society or country with respect to norms, values and institutions. The important aspect of any culture is its values and relations to people in the society or organisation. It is because values and relations are important in the society and organisation that they are used by most researchers as explanatory variable for cultural differences in comparative research (Kluckhohn and Strodtbeck, 1961).

Literature is replete with comparative studies of culture and HRM practices in advanced and Asian countries such as USA, Germany, Japan, China, India, Malaysia and so forth. Little is known in Nigeria about the comparative HRM practices across countries. More deficiently till date, no study in literature has specifically undertaken a comparative analysis of HRM practices of Nigeria, USA and Japan. It is the need to fill this knowledge gap and add to literature that prompted this research. The broad objective of this article therefore is to investigate why and how HRM practices differ or similar in Nigeria, USA and Japan. Other specific objective is to identify and compare HRM practices of Nigeria with those of USA and Japan based on cultural and institutional perspectives.

In order to achieve these objectives, the paper is structured into following sections and sub-sections, review of the literature, cultural perspectives, key cultural frameworks, Hofstede’s culture dimensions, institutional perspectives, varieties of capitalism, institutional isomorphism, convergence-universalism, research methods, data presentation, results, conclusion, contributions to knowledge and limitations of the study.

2. Review of the Literature

This section is structured into two major perspectives namely the cultural perspective, which consists of the key cultural frameworks and the Hofstede’s culture dimensions. The second major perspective is the institutional

perspective, which consists of varieties of capitalism, institutional isomorphism and convergence-universalism. Other sub-sections include research methods, data presentation, results, conclusion, contributions to knowledge and limitations of the study.

2.1 Cultural Perspective

2.1.1 Key Dimensions of Culture

There are several cultural frameworks in management literature that provide reasons for differences in HRM practices across countries. The following key theoretical frameworks are germane: Hofstede's Cultural Dimensions: Hofstede (1980 & 2001), Trompenaars and Hampden-Turner (1993), the GLOBE study conducted by group of researchers House, Hanges, Javidan, Dorfman & Gupta (2004)⁷, the works of Hall (1976) and the works of Kluchhohn and Strodbeck (1961) and so forth. Within the context and scope of this paper, the Hofstede's framework of culture dimensions is considered the most suitable perspective that provide reasons for differences in HRM practices across cultures. However, Hofstede framework still remains the most popular framework because the knowledge about cross-cultural differences originated from Hofstede's framework. Other frameworks lean heavily on the existing foundations already put in place by Hofstede's framework.

2.1.2 Hofstede's Cultural Dimensions

The cultural factors that determine how inter-country differences affect HRM practices of different countries lean heavily on the work of Geert Hofstede on national culture dimensions which he developed. These dimensions provide a systematic framework for assessing the differences between nations and cultures. Hofstede proposed a scoring system using a scale from 1-100 based on the idea that value can be placed upon four cultural dimensions namely.

Power Distance: Refers to the extent to which members of a society or organisation expect and accept that power is unequally distributed along the hierarchy. This occurs in organisation when employees are differentiated from their bosses in terms of status, salaries, promotion etc.

a. Individualism versus Collectivism: This index means whether people would prefer to work as individual or in group. Collectivism refers to collective action or collective distribution of resources.

b. Uncertainty Avoidance: Refers to the degree of tolerance for uncertainty. It is the extent to which a society or organisation is willing

or ready to tolerate or avoid ambiguous or risky situations. Some can be risk averse while others can be risk takers.

- c. Masculinity versus Femininity:** Refers to the extent to which a society or people in organisation has its social values clearly distributed among its members. Masculine societies value more male characteristics such as assertiveness, competitiveness, success, status etc. Whereas femininity means the dominant values in the society or organisation are caring for others and quality of life. In order to prevent the Western bias, Hofstede after the research on Confucian tradition added the fifth dimension (Hofstede & Bond, 1998).
- d. Long Term and Short Term Orientation:** The long term and short term is concerned with time orientation. It concerns search for virtues which relates to the Confucian teaching. This cultural dimension describes the extent to which a society or organisation shows a pragmatic or practical future-oriented perspective rather than a conventional short term point of view.
- e. Indulgence versus Restrain:** Refers to a society or organisation that allows relatively free gratification or satisfaction of basic and natural human drives. It relates to enjoying life and having fun while Restrain defines a society that suppresses gratification of needs and regulates it by means of strict social norms.

2.2 Institutional Perspective

Institutional perspective involves different ways structures including rules, norms, routines and schemas become established as authoritative guidelines for social behaviour (North, 1990 & Scott, 2001). For better understanding, discussion on the institutional perspective is limited to varieties of capitalism, institutional isomorphism, and convergence-universalism and relative implications to HRM practices.

2.2.1 Varieties of Capitalism

Varieties of capitalism refer to many different ways of organising a capitalist economy or economic system. According to Hall and Soskice (2001) two major types of market economy exist and other form of it originates from either of the two. First, Anglo-Saxon liberal market economies (LMEs) examples are USA and UK. Second, collaborative or coordinated market economies (CMEs) principally Germany and Japan. Nigeria's market economy type is not well defined. The economic theorists describe Nigeria's market economy as "Mixed Economy", "Transitional market economy" or "Neo-liberal Economy"

because there are existence and operation of both private and public companies in the economy under the Federal Government regulations, popularly classified as the “Command economy”.

More specifically, the liberal market economy in USA, co-ordinated market economy in Japan and the Mixed-market economy in Nigeria remain the focus of discussion in this sub-section.

a. Anglo-Saxon Liberal Market Economy (LME), USA Model: The USA Liberal market economy is known as the “liberal market economy”. This model is a free and compartmentalised market economy. In a free market economy there is no price control. Prices of goods and services are freely set by the forces of demand and supply until it gets to equilibrium without government interference. The USA liberal market economy is rigidly compartmentalised or separated in sectors and each sector maintains a certain level of autonomy (Whitley, 1992). Generally, a liberal market economy exhibits the following characteristics: Competition, radical innovations, private ownership, low rate of taxation, open financial market, low labour market protections, less welfare and avoidance of collective bargaining. The USA model incorporates interventionist role of government in promotion of general welfare, protection of rights and property of groups, encourages trade restrictions and subsidies. This implies that the USA liberal market economy is a blend of the mixed-market economy because of the interventionist role of government in the economy (Agarwal, 2017).

b. Coordinated Market Economies (CME): The example is Japan. This market economy exhibits the following characteristics, social market economy, strong and active institutional regulations with close ties between different shareholders, the relationship between the state, companies and their various stakeholders reflects the Japanese model of the Confucian Asian approach towards capitalism (Hofstede, 1998a). A productivity-oriented economy, with strong collective systems, incremental innovation, competitive advantage, promotes social welfare and so forth.

c. Mixed-Market Economy or Transitional Market Economy: There is no clear classification, of the Nigeria’s market economy. The modern economic theorists describe market economy in Nigeria as “Mixed-Market Economy” while Jackson and Deeg (2006) classified African States as “Transition Economies” using developing economies of Africa, Arab, and Latin American states as examples. A Mixed-market economy is an economic system that allows both private and public ownership type of companies to operate in its market environment with minimal intervention of government.

In a wider perspective, a mixed-market economy is a blend of principles of socialism and capitalism.

According to Kenton (2018) mixed market economy exhibits the following characteristics, centres on self-interest of individuals, safeguards its people and its market, government creates central plan that guides the economy, government controls activities of some important sectors like transportation, manufacturing sector, protects private property, allows free market and the laws of demand and supply to mention a few. The Nigeria's model of the "Mix-Market Economy" is exemplified in the 1986 Structural Adjustment programme (SAP), which exhibited characteristics of neo-liberal market economy as, privatisation of public companies, deregulation of the economy, fiscal and monetary policies to control inflation, reduction in the public expenditure, control of organised labour, liberalisation of trade and industry, removal of controls on global financial flows and its implications for HRM practices includes, weak trade union, ban on employment especially government owned companies, frequent retrenchment, delay in payment of salaries and wages, high rate of unemployment, workers are made redundant as there are no raw materials, no importation and austerity measures restrict exchange and free flow of capital and casualisation and other atypical forms of employment prevail and so forth. At this point we turn to comparative institutional perspectives of the three economic systems and relative implications for selected HRM practices.

2.2.2 Comparative Varieties of Capitalism and HRM practices in Nigeria, USA and Japan

The comparative institutional perspectives of selected HRM practices in the three economic systems namely, the Mixed – Market Economy in Nigeria, the liberal market economy in USA and the coordinated market economy in Japan are presented thus. In Nigeria's mixed-market model, industrial relations system is decentralised as well as in the United States (Otobo, 2005 & 1986, Batt & Nohara 2010) whereas in Japanese coordinated market economy, the industrial relations system is centralised. (Batt & Nohara, 2010)

Recruitment and Selection: In Nigeria, recruitment is selectively done and determined by managerial decisions and socio-political connections (Fajana, Owoyemi, Elegbede & Gbajumo-Sheriff 2011; Fashoyin, 2010). In the USA, it involves selective hiring of new workers and minimal screening in hiring (Moriguchi, 2014) while in Japan; it is once a year selection of fresh graduates. A popular recruitment and selection practice called "Shukatsu" in Japanese language (Moriguchi, 2014)

Compensation: In Nigeria, wage structures are linked to specific jobs, and pay grades for performance while in the USA, individual rated and incentive pay prevail (Fajana, et al., 2011 & Moriguchi, 2014), but wages are not attached to specific jobs, ranks are loosely linked with specific jobs but pay increases and promotions exist (Fajana, et al., 2011) whereas in Japanese model, compensation and promotion are based on performance and seniority (Moriguchi, 2014)

Training and Development: Training and development is a bit slow and very expensive to invest in human capital in Nigeria (Fajana, et al., 2011). In the USA, training is decentralised to company level, highly innovative³¹ whereas in Japan training methods include vocational training, and the use of job rotation (Moriguchi, 2014)

Performance Appraisal: Performance appraisal is sometimes a dialogue process (Fajana, et al., 2011). Self-evaluation method is not widespread in Nigeria. In the USA, rapid or continuous evaluation and promotion based on performance while, evaluation and promotion based on performance and experience is key in Japan (Moriguchi, 2014).

Employment Type: In Nigeria, the employment type is atypical, characterised by casualisation, contract labour, non-standard forms of employment (Fashoyin, 2010). USA employment type is flexible work arrangement, temporary and permanent forms of work organisation³⁷ whereas in Japan life-time employment applies (Moriguchi, 2011).

Employee Representative: In Nigeria, employee representative is characterised by low union density, union without union activities, and weak bargaining power (Adewumi, 2009), but with respect to USA, low union density prevails, bargaining power is decentralised to plant or enterprise level⁴⁰ whereas in Japan, collective bargaining is centralised to industry level and collective bargaining is done via the work council and active employee representative (Batt & Nohara, 2010)

2.3 Institutional Isomorphism

The next aspect of the institutional perspective, which affects HRM practices, is the institutional isomorphism also called the power of isomorphism. According to DiMaggio and Powell (1983) there are three institutional isomorphism. They are:

a. Coercive Isomorphism: The coercive isomorphism also called coercive pressures refer to pressures or forces arising from organisations which force dependent organisations to act in a certain manner. This happens when powerful organisations force organisations with less power to act in compliance with certain actions and behaviour in order to receive legitimacy

and its subsequent benefits (Edward, Mason and Washington, 2009). Compliance with coercive pressures here means a conscious obedience to incorporation of values, norms or institutional requirements (Oliver, 1991). Benefits such as increased resources, legitimacy and attainment of accreditation and sanctioning accrue to organisations that do not comply with coercive pressures. Such coercive pressures may manifest at international level via ILO Conventions, at National level in form of regulatory pressures which include employment or labour laws, National University Commission Accreditation exercise, sector-wide collective bargaining agreements. Tsai (2010), noted that coercive pressures compel organisations to make changes in their HRM and employment relations policies and practices. For instance in 1980s and 1990s, it was revealed that internal and external factors placed pressure on large firms in Japan to change their lifetime employment, seniority-based pay and promotion system, because Japanese companies were losing market, and becoming less innovative and creative (Pudelko, 2009, Moriguchi, 2014). These forces led Japanese manufacturing sector to introduce performance based pay scheme in gradual replacement of the lifetime employment, seniority-based pay and promotion system (Ganbat, 2013). Through this process organisations such as Honda, Fujitsu and Sony revitalised themselves through this innovation and Japanese HRM practices gradually gained legitimacy among large manufacturing companies in Japan (Ornatowski, 1998). Currently, most companies in Japan have adopted reward system that is performance oriented and this has gradually taken over the traditional lifetime, seniority based pay and promotion in Japan (Pudelko, 2009).

b. Mimetic Isomorphism: Refers to a situation where organisations model themselves after other organisations in similar field of operation or within similar socio-cultural environment where they expect to be successful and legitimate (Paauwe & Boselie, 2003). Mimetic isomorphism may occur when organisational technology is poorly understood and goals are not properly defined or when there is significantly symbolic uncertainty within the environment which result in formal and informal pressures exerted on the organisation. The organisation in such situation would have no option than to mimic successful practices from other organisations in order to survive. Such modeling provides a rationale for action and can establish premises for decision making and strategy formulation. DiMaggio and Powell (1983) maintain that such strategic models can diffuse indirectly or unintentionally through such mechanisms as, employee transfers among organisations, or explicitly through consultants, trade associations, and via such tools as “benchmarking” or “best practices”. Strategy formulation as outcome of mimetic pressures has been noted in several studies as not only the sincerest

form of flattery but may prove to be a sincere form of strategy (Han, 1994, Tingling and Parent, 2002).

c. Normative Isomorphism: DiMaggio and Powell (1983, p.153) state that normative isomorphism is largely based on professionalisation, defined as “the collective struggle of members of an occupation to define the conditions and methods of their work, to control the production of producers and to establish a cognitive base and legitimation for their occupational autonomy” Normative isomorphism results from the professionalisation of functions such as formal education requirements like business schools and business education serving as source of isomorphism. For instance, as more organisations hire managers from business schools or as more individuals in organisations pursue business degrees like the MBA, including those in professional programmes like the Chartered Institute of Personnel Management of Nigeria (CIPM), Institute of Chartered Accountants of Nigeria (ICAN), the more the tendency for common norms of behaviour, analytic models, and frameworks for strategic decision making to be diffused throughout organisations. Another aspect of professionalisation is the growth of professional networks, which span organisations and allow information and models to be diffused quickly through inter-organisational transfers of personnel, trade associations, the use of common consultants and interlocks among boards of directors’ etcetera. According to Lawrence, (1999) and Mizruchi and Fein, (1999), through these mechanisms and other similar frames of thoughts, norms for firm strategies and strategic behaviours are spread among organisations and practices become similar across organisations.

It implies that managers will operate from similar frame of understanding, use similar analytical tools, and employ similar processes in the development of firm strategies and thus the strategies that results often bear a remarkable similarity to those of other organisations within the network. By extension, organisations within the same network will exhibit similar HRM practices, policies and strategies. Although, conceptually different, the three namely, coercive, mimetic and normative isomorphism relate to one another and difficult to separate in practice.

2.4 Convergence – Universalism in HRM

The convergence debate is another crucial aspect of comparative HRM across cultures. Brewster, Harris and Sparrow (2002) maintain, that HR practices either ‘converge’ worldwide to be basically the same in each location. The concept of convergence in HRM is based on the assumption that the world is becoming increasingly global due to market forces, technological advancement

and HRM practices becoming more alike (Brewster et al., 2011, Mayrhofer & Morley and Brewster, 2004, Kerr, Dunlop, Harbison and Meyers, 1960). According to Fajana (2006, p.299) “as more societies adopt industrial forms of production in organisation, the logic of industrialism creates common characteristics and imperatives across the societies systems and practices tend toward becoming similar”. According to Brewster (2014) convergence increases strategic potential of HRM department; centralisation, professionalisation; employee resourcing; individualisation of employee relations; information to employees, as well as contingent compensation systems⁶³. The central point arising from these authors is the fact that convergence and universalism can cause HRM practices to become similar across cultures. However, Mohan and Tomoki’s (2016) conducted comparative study between USA and Japanese-styles of HRM practices and the study revealed that the USA HRM practices tend to be potentially more influential or dominant but not as effective as Japanese-style HRM practices while those of African States are in transitional stage of development (Jackson & Deeg, 2006). The predominant assumption of potential influence of the US-style HRM practices is based on the universal model that HRM practices are transferable across (Ouchi, 1981).

Universal model also called Universalist HRM assumes that what works in one country can be applied to organisational units in other countries as well (Hofstede, 1980). In line with this assumption, Pfeffer, (1998), identified six HR practices consistently considered to be strategically universalistic to include recruitment and selection, compensation, employee participation, internal labour market, and training. Identifying and enacting these HR “best practices” will always result in great organisational effectiveness (Delery and Doty, 1996). In contrast, Brewster et al. (2011) aptly remarked that HR practices might not be uniform because there may be convergence at the policy level but different in practical terms at the operational level. The focus therefore, should not be about finding the “best practice” but finding the “best-fit” within local contexts, which is often firm specific.

3. Research Methods

This study adopts qualitative content analysis approach. The study used a wealth of empirical literature to analyse how and why HRM practices across cultures differ or similar with a focus on Nigeria, USA and Japan. The empirical literature mostly utilised were drawn from Hofstede’s survey, which include the cultural dimension scores of the three sampled countries. To a great extent the dimension scores of the sampled countries constituted the secondary data and unit of analysis. Whereas other sources of secondary data

include journals, textbooks, web-links or internet source were methods of data collection. The research made use of descriptive tables and a bar chart generated from the dimension scores and used in turn to formulate the descriptive table. The descriptive Table and the Bar Chart explained the Hofstede’s cultural dimension scores and compared selected HRM practices of the sampled countries based on the findings of the analyses. The study adopted a phenomenological validation of the research methods based on the researcher’s own world view of the fact in issue.

3.1 Data Presentation

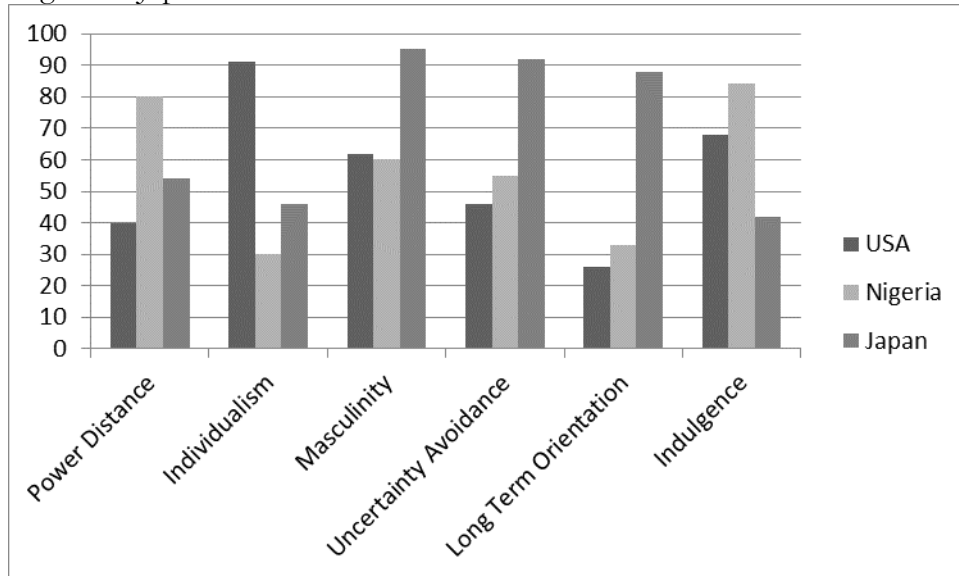
Descriptive data collected which were mostly drawn from dimension scores of the selected countries of Nigeria, USA and Japan were organised and tabulated in Table 1 and figure 1:

Table 1: Description of Hofstede’s Cultural Dimensions Scores of Three Selected Countries

Dimension	Power Distance	Individualism	Masculinity	Uncertainty	Long-Term	Indulgence
USA	40	91	62	46	26	68
NIGERIA	80	30	60	55	33	84
JAPAN	54	46	95	92	88	42
Comparison =, >, < Legend: “=” equal to, “>” greater than, “<” less than	Nigeria > Japan & USA; USA < Japan	USA > Japan & Nigeria; Nigeria < Japan	Japan > USA & Nigeria; Nigeria < USA	Japan > Nigeria & USA; USA < Nigeria	Japan > Nigeria & USA; USA < Nigeria	Nigeria > USA & Japan; Japan < USA

Source: Adapted from Eunjin (2015)

Figure 1: Bar Chart Indicates the Six Cultural Dimension Scores of USA, Nigeria & Japan



Source: Generated from Table 1

Power Distance: Table 1 and figure 1 show a comparison of the three selected countries. Nigeria scored 80, Japan scored 54 and USA scored 40. According to Hofstede's (1991) empirical data, countries scoring high in PD are predominantly located in the Far East Latin America, which include, Malaysia, Guatemala, Panama, Philippines, Mexico and Venezuela, are the top six countries⁷². In the World score ranking, Nigeria was ranked 10/11 among other West African countries, USA was ranked 38 while Japan was the 33 position (Brewster et al., 2011). This implies that in a high power distance country like Nigeria, target setting decisions is the prerogative of the employer because of the centralised structure while in USA target setting is joint decision of the employer and the employee. In other words, employee participation is encouraged. Similarly in Japan with score of 54 compared to the World average of 55 was not classified as high power distance culture rather as a moderate power distance country where mutual trust and loyalty as well as cooperation exist between the parties and decision making is shared at all levels. In Japan, target setting is a joint decision of both parties.

Individualism vs Collectivism: Table 1 and figure 1 show that America scored 91, Nigeria scored 30 and Japan scored 46 respectively and the World average was 43. Similarly, the World score ranking for the three countries included America as the 1st, Nigeria the 41st, and Japan was the 23rd position. Hofstede's (2001 and Hofstede, 1991) empirical survey listed America,

Australia, Great Britain, Canada, Netherlands and New Zealand, mostly Anglo Saxon countries as the top six countries that scored high in individualism culture, while the least individualist and most collectivist countries include Guatemala, Ecuador, Panama, Venezuela, Colombia, Indonesia, Pakistan, Costa Rica, mostly located in Eastern/Southern Asia including West Africa and Nigeria. USA is high individualism country; where workers are paid based on individual performance. Compensation system is based on pay for performance rated scheme unlike in Nigeria and Japan where reward and incentive system is collective or group payment scheme. Managers are more individualistic in USA versus greater collectivism in Nigeria and Japan. The assumption here is that USA belongs to individualism while Nigeria and Japan belong to collectivism (Hofstede, 2001 and Hofstede, 1991).

Uncertainty Avoidance: Table 1 and figure 1 indicate that Japan scored 92, Nigeria scored 55 and America scored 46 respectively and the World average score was 64. Similarly, the World score rankings for America on this dimension was 43rd, Nigeria was 34 while Japan was ranked 7th position. This implies that Japan operates a high uncertainty avoidance culture while Nigeria and USA scored below the cut-off score of 64. It means that Nigeria and USA are presumably uncertainty tolerant countries. According to Hofstede's empirical survey, countries that scored high on uncertainty avoidance are mainly situated in Southern Europe or in Latin America, which included Greece, Portugal, Guatemala, Uruguay, and Belgium are the top five-scoring countries (Hofstede, 2001).

Whereas countries with the lowest uncertainty avoidance are spread across the globe, and they are Singapore, Jamaica, Denmark, Sweden, Hong-Kong, Ireland, America, Great Britain, Malaysia and India. The Hofstede's empirical literature did not list Nigeria in countries scoring either high or low in terms of uncertainty avoidance, and this implies that Nigeria does not show a clear preference. In Japan, HRM practices like manpower planning, career planning or succession planning are built on long term forecasting. This takes care of unexpected situations. On the other hand, USA and Nigeria tolerate ambiguous situations and would face the risks as they arise (Hofstede, 2001). So preference for manpower forecasting, career and succession planning is low and by implication risk takers.

Masculinity vs. Femininity: Table 1 and figure 1 indicate that Japan scored 95, America scored 62 and Nigeria scored 60 and the World average was 50. With respect to the World score rankings, America ranked 15th, West Africa, Nigeria, 31st, and Japan was ranked 1st. According to Hofstede's empirical study the top five scoring countries in terms of masculinity are Japan, Australia, Austria, Venezuela, Italy and Switzerland. The countries with lowest masculinity index are Sweden, Norway, the Netherlands, Denmark, Costa Rica

and Yugoslavia; again, USA with score of 62 and Nigeria with score 60 compared to the World average score of 50 were considered moderate masculinity culture (Hofstede, 2001)⁷⁸. It implies that USA and Nigeria would exhibit femininity culture and women workers are more likely to respond positively to flexible work arrangement than men workers.

Long-Term vs. Short-Term: Table 1 and figure 1 show that Japan scored 88, Nigeria scored 33 and America score 26. This implies that Japan is a long-term oriented country compared to America and Nigeria. From the empirical perspective, China, Hong Kong, Taiwan, Japan and South Korea Scored high on the long-term index. Pakistan, West Africa, Nigeria, Philippines, Canada, Zimbabwe, Great Britain and America scored low on this dimension (Hofstede, 2001 Hofstede, 1991). This implies that Japan would prefer high investment in human capital and long term return on investment while Nigeria and USA have preference for low investment in human capital with quick return on investment. USA has preference for investment in vocational training.

Indulgence vs. Restrain: Table 1 and figure 1 indicate that Nigeria scored 84, America scored 68 and Japan relatively scored 42. This means that Nigeria and America are indulgence oriented countries whereas Japan is a restraint oriented country. Restraint culture prevails in Eastern Europe, in Asia and Muslim world. The implication is that Nigeria and America relatively allow gratifications, enjoys having fun, awards, end-of year parties, wedding ceremonies birthday parties, public holidays. USA celebrates thanksgiving holiday every year. Nigerian leaders spend money and time to celebrate Nigeria's birthday as a nation. Whereas Japan would suppress any form of gratification as a restraint culture. It is very important at this point to compare specific HRM practices of USA, Nigeria and Japan based on the Hofstede's cultural dimensions (Hofstede, 2001).

Table 2: Comparison of Selected HRM practices of Nigeria, USA and Japan based on the Result of the Analyses

Dimensions	HRM practices	Nigeria	USA	JAPAN
Power Distance	Setting Targets	Targets are set or imposed by employers	Are Negotiated between employees and management	Are negotiated To encourage individual performance
Individualism	Compensation/Reward/Incentive method	Collective/Group incentive pay scheme Group Salary grade level	Individual performance rated pay scheme	Collective pay system Payment for life even when the organisation is distressed
Uncertainty Avoidance	Manpower Planning/Forecasting/Succession planning	Low manpower forecast Low succession planning/career planning	Low manpower planning/ Low forecasting/Succession/Career planning	High manpower planning/ Forecasting/Succession planning/career planning
Masculinity/Femininity	Flexible work Arrangements	Women workers respond more to flex-time	Women workers respond positively to Flexi-time	Men are likely to respond negatively to Flexi-time. They are Assertive
Long and Short Term Orientation	Investment in human capital	Low investment in human capital Expects quick return on investment	Poor investment in human capital Expects benefits of investment here and now	Long –term investment in human capital Expects Long-term return in investment
Indulgence	Reward incentives/Gratifications	Motivation via Awards as incentive Celebrations as gratification	Motivation of employee’s performance via awards	Motivation is via seniority based payment and promotion not gratifications

Source: Compiled by Authors

3.2 Results

a. Based on the comparative analyses of the Hofstede's cultural dimensions, the study revealed that:

- The result of the research confirmed that the HRM practices of Nigeria are to a greater extent different from HRM practices of Japan and USA due to socio-cultural differences.
- Cultural differences reflect differences in HRM practices
- Socio-cultural realities have impact on HRM practices across cultures
- National culture through organisational culture manifests HRM practices
- Some of the culture dimensions failed in defining the Nigeria's true cultural classification for instances, in uncertainty avoidance index, Nigeria belongs to neither risk averse culture nor embraces risk as it comes thus classified as moderate.
- Revealed that USA and Nigeria in spite of scores above world average were considered moderate masculinity cultures.

b. Findings based on the comparative varieties of capitalism: The study revealed that:

- Market economies have implications for HRM practices based on the comparative differences of the market economies.
- USA liberal market economy has a blend of Mixed-market economy which allows minimal government intervention.
- USA operates a similar Mixed-Market economy compared with the Mixed-Market Economy in Nigeria, which is totally different from the Japan's Coordinated Market Economy.
- the study generally revealed that HRM practices of Nigeria such as recruitment and selection, pay for performance, performance appraisal, training, and employment type are still developing and require new ideas or innovation to improve their standards

c. Findings based on convergence-universalism. The study found that:

- HRM practices in USA, Nigeria and Japan would likely become more similar as convergent pressures across cultures occur. This increases the strategic potential application of HRM practices.
- Changes in HRM practices are result of internal and external pressures from the environment.

- It is only possible to imitate, benchmark, or transfer HRM practices across cultures where there are similarities or closeness in socio-cultural environment.

The study then concluded that HRM practices are not universal in their applications as cultural and institutional differences influence the way they are managed across cultures.

4. Contributions to Knowledge

- a. The study established that socio-cultural realities have impact on the comparative analysis of HRM practices in Nigeria, USA and Japan;
- b. The study established that HRM practices linked to high performance work practices in a particular country or organisation may or may not be applicable in another country or organisation. Hence, established that further research to focus on “best fit” rather than “best practice” across cultures
- c. More significantly, the article fills the existing knowledge gap and adds to comparative literature in the Nigerian context.

5. Limitation of the Study

The limitation of this study is predicated on the shortcomings of the Hofstede’s cultural dimensions. Hofstede’s research findings might not correctly represent what the individual, group or country’s cultural value orientations are in reality. To make generalisations based on one company response is not good enough in fulfilling the requirement of cultural research. Scholars criticised Hofstede’s cultural homogeneity by assessing only individual value orientation and applying the findings on overall community was not satisfactory and cannot provide valid information regarding culture of entire country. But in spite of these criticisms, Hofstede’s framework of cultural dimensions still remains the most prominent in comparing human resource management practices across cultures.

References

- Adewumi, F. (2009). *Unions without unionism: Towards trade union relevance in Nigeria’s Industrial Relations System and Policy*; An inaugural Lecture Delivered at Crawford University, Ogun State. Ibadan: Hure Prints.
- Agarwal, P. (2017). The four types of economies. *Intelligent Economist*, Culled from Internet on 31/01/19

- Batt, R. & Nohara, H. (2010). Retrieved 2/2/19 from Cornell University, ILR School Site: <http://digitalcommons.ilr.cornell.edu/articles/348>
- Brewster, C. (2014). Comparative human resource management. Excerpts from a Lecture Delivered to Students at Auckland New Zealand on 31st, October
- Brewster, C. Harris, H. & Sparrow, P. (2002). Globalising HR. London CIPD.
- Delery, E. & Doty, H. (1996). *Modes of theorising in strategic human resource management: Tests of universalistic, contingency and Configurational performance Predictions. Academy of Management Journal*, 39(4), 802-835
- DiMaggio, P. & Powell, W. (1983), The iron cage revisited: Institutional isomorphism and collective rationality in organisational fields: *American Sociological Review*, Issue 48: 147-160
- Eunjin, A. (2015). *Hofstede's cultural dimensions: Comparison of South Korea and UK*: Cambridge Press, Cambridge Business and Economics Conference
- Fajana, Shola, Owoyemi, O. Elegbede, T. Gbajumo-Sheriff, M. (2011). Human resource management practices in Nigeria. *Journal of Management Strategy*, 2(2), 57-62
- Fashoyin, T. (2010). Trends and development relations and the world of work in developing countries. *International Journal of comparative Labour Law and Industrial Relations*, 26(1), 119-139.
- Ganbat, M. (2013). *Human resource management practices of Japanese companies in Mongolia*, Graduate School of Economics, Osaka University.
- Hall, E. (1976). Beyond culture. New York: Doubleday
- Hall, P. & Soskice, D. (2001). Varieties of capitalism: The institutional foundations of comparative advantage. New York: Oxford University Press.
- Han, S. Mimetic isomorphism and its effect on the audit services market, *Social Forces*, Issue 73, 637 – 663
- Hofstede G. (1980). *Cultures and organisations: Software of the mind.* London: McGraw-Hill
- Hofstede, G. & Bond M. 1988). The Confucius connection: From culture roots to economic growth. *Organisational Dynamics*, 16, 4-21.
- Hofstede, G. (1980). Culture's consequences: International differences in work-related values. London: Sage Publications
- Hofstede, G. (1980). Motivation, leadership and organisation: Do American theories apply abroad? *Organisational Dynamics, Summer*, 42-89
- Hofstede, G. (2001). Culture's consequences (2nd ed.). London: Thousand Oaks
- House, R. Javidan, M. Hanges, P. Dorfman, P. & Gupta, V. (2004). Culture, leadership and organisation, the GLOBE study of 62 societies. CA Sage, Thousand Oaks.

- Jackson, G. Deeg R. (2006). How many varieties of capitalism? The comparative institutional analysis of capitalism diversity, discussion paper no. 06/2, Available at SSRN: <https://ssrn.com/abstract=896408> or <http://dx.doi.org/10.2139/ssrn.896384>
- Kenton, W. Mixed-economic system, available at Investopedia.com/terms/m/mixed-economy-system.asp, culled from the Internet on 2/2/19
- Kerr, C. Dunlop, J. Harbison, F. & Meyers, M. (1960). *Industrialism and industrial Man*. Cambridge: Harvard University Press
- Kluckhohn, F. & Strodtbeck, F. (1961). Variations in value orientations. New York: Row, Peterson and Co.
- Lawrence, T. (1999). Institutional strategy, *Journal of Management, Issue 25*. 161-187.
- Mayrhofer, W. Morley, M. & Brewster, C. (2002) Convergence, stasis, or divergence? In Brewster, C. Mayrhofer, W. Morley, M. (Eds.), *European Human Resource Management: Evidence of Convergence?* Oxford: Butterworth-Heinemann
- Mohan, P. & Tomoki, S. (2016). *The influence and effectiveness of US Style and Japanese-style Hr practices in Indian firms: A conceptual perspective*, *South Asian Journal of Human Resource Management* .3(1), 58-78.
- Moriguchi, C. (2014). Japanese-style HRM and its historical origins, *Japan Labour Review*, Issue 11: No.3, summer.
- North, D. (1990). *Institution, institutional: Change and economic performance*. Cambridge: University Press
- Oliver, C. (1998). The collective strategy framework: An application of competing predictions of isomorphism, *Administrative Science Quarterly, Issue 33*: 543-561.
- Ornatowski, G. (1998). End of Japanese style human resource management. *Sloan Management Review*.
- Otobo, D. (1986). *Foreign interest and Nigerian trade union*. Heinemann Ibadan: Educational Books Nigerian Limited.
- Ouchi, W. (1981). *Theory Z*. America: Addison-Wesley Publishing Company
- Pauwe, J. & P. Boselie (2003), Challenging strategic HRM and the relevance of the institutional setting, *Human Resource Management Journal*, 13(3), 56-70
- Pfeffer, P. (1998). *The human equation*. London: Harvard Business School Press
- Pudelko, M. (2006). *A comparison of HRM systems in USA, Japan and Germany*, University of Turbingen www.unifuebingen.de/wiwi/ib
- Pudelko, M. (2009). The end of Japanese-style management? Long range planning, Issue 42, 439-462
- Scott, W. (2001). *Institutions and organisations* (2nd ed.). CA: Sage, Thousand Oaks

- Shola, Fajana, (2006). *Industrial Relations in Nigeria, Theory and features* (3rd.ed.) Lagos: Labofin and Company.
- Taylor, E. (1871). *Primitive culture*. New York: J.P. Putman's Sons.
- Tingling, P. & Parent, M. (2002). Mimetic isomorphism and technology evaluation: does imitation transcend judgment? *Journal of the Association for Information Systems, Issue 3*, 113-143
- Trompenaars, F. & Hampden-Turner, C. (1997). *Riding the waves of culture, understanding culture diversity in business* (2nd ed.). London: Nicholas Brealey Publishing
- Tsai, C. (2010). *HRM in SMEs homogeneity or heterogeneity? A study of Taiwanese high-tech firms*, *International Journal of Human Resource Management*, 21(10), 1689-1711.
- Washington, M. & Patterson, K. (2011). Hostile takeover or joint-venture: connection between institutional theory and sport management research. *Sport Management Review*, 14 (1), 1-12
- Whitley, R. (1992). *European business systems: Firms and markets in their national contexts*. London: Sage

Adapt International Network



ADAPT is a non-profit organisation founded in 2000 by Prof. Marco Biagi with the aim of promoting studies and research in the field of labour law and industrial relations from an international and comparative perspective. Our purpose is to encourage and implement a new approach to academic research, by establishing ongoing relationships with other universities and advanced studies institutes, and promoting academic and scientific exchange programmes with enterprises, institutions, foundations and associations. In collaboration with the Centre for International and Comparative Studies on Law, Economics, Environment and Work, (DEAL) the Marco Biagi Department of Economics, University of Modena and Reggio Emilia, ADAPT set up the International School of Higher Education in Labour and Industrial Relations, a centre of excellence which is accredited at an international level for research, study and postgraduate programmes in the area of industrial and labour relations. Further information at www.adapt.it.

For more information about the E-journal and to submit a paper, please send a mail to LS@adapt.it.

