Power Distance Cultural Influence on Human Resource Management:
A Comparative Study in India

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ABSTRACT

Globalization has created immense openings and confronts to the MNCs in India. The challenges have created a need for every sector to rethink the Human Resource Management practices to enhance their competitive superiority in the market specifically to Information Technology industries. This created a necessity to undertake an empirical research study to recognize the influence of 'Country- of- Origin' culture on HRM practices. Therefore Geert Hofstede's Power Distance cultural dimensions have been adopted to study its relationship with Human Resource Management practices. The analysis of the study concludes that power distance culture has a significant relationship in determining Human Resource Management practices in India specifically with regard to Recruitment, Performance Management and Career Planning.

Keywords: HRM practices, Geert Hofstede, Power Distance cultural dimension, and Recruitment, Performance Management and Career Planning.

INTRODUCTION:

In the growing global business, the culture plays a significant role in bringing the organizational and individual characteristics together for desirable action. It is required for an organization to be successful, to bring a cultural fit between individual and the organization characteristics (Kristof 1996). The cultural fit is necessary due to the cultural differences between the people and to understand their motives and behaviour, to ensure that they are enthusiastic and committed for contributing to achieve organizational outcomes.

Cultural Implications:

Culture has been defined by many ways. Kluckhohn (1951: 86, 5) (Cited by Geert Hofstede 1980, 1984 p. 21) an anthropologist defines it as "Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists traditional (i.e. historically derived and selected) ideas and especially their attached values". Schein (1990) defines culture in managerial terms as "how people feel about the organization, the authority system and the degree of employee involvement and commitment"; he continues, adding that culture can be viewed as a widely held, shared set of values, beliefs and ideas.

Hofstede has explained culture as values, beliefs and customs which explain the common characteristics of a society in a human group. The cultural factor determines the differences and similarities between the nations. To understand this it is necessary to focus at cultural dimensions. Hofstede and his associates identified six cultural dimensions based on the values in societies, such as Power distance, Uncertainty avoidance, Individualism, Masculinity (Hofstede 1980), Pragmatism and Indulgence (Hofstede, Bond and Minkov). These cultural dimensions play a unique role in identifying the differences between the nations and organizational culture.

Each dimension corresponds to a set of criteria that the researcher used to describe and compare the cultures of different countries (Hofstede, 1983; Hofstede, 1991). The first dimension of national culture is called Power Distance, Hofstede (culture's consequences, 1980; 1984 p.71) adopted this term from the work of Mulder (et., 1976, 1977) where the "power" is defined as "the potential to determine or direct (to a certain extent) the behaviour of another person/other persons more so than the other way round," and "Power distance" as "the degree of inequality in power between less powerful individuals (I) and a more powerful Other (O), in which I and O belong to the same (loosely or tightly knit) social system" (Mulder, 1977: 90).

The Power Distance is defined as "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede, 1991, p. 28). In countries with high power distances, less powerful members (such as children, students and subordinates) are expected to be obedient and dependent on more powerful members (such as parents, teachers and bosses). They are to refrain from contradicting or criticizing more powerful members and to avoid experimentation (Hofstede, 1991). On the other hand, countries with low power distances treat the less powerful members as equals, give them independence, and allow them to experiment and contradict more powerful members (Hofstede, 1991).

According to Power Distance Index scores by Occupations India has identified with 77 actual scores (predicted is 78) and U.S.A. with 40 actual scores (predicted 42). The study has identified lower-education and lower–status occupations are the two factors contributing to producing high PDI values and it is found that the higher-education, higher-status occupations have low PDI values. Minkov and Hofstede (2011) have found organizations with high power distance societies and with a strict hierarchy where power is centralised. In low distance cultures they are identified with participative management with subordinates playing a more leading role in decisions related to doing the work. The Hofstede study (1980, 1984) has identified the following differences in organizations located in high and low power distance cultures.

National Power Distance Index Differences on Organizations:

Figure: 1

Low PDI	High PDI
Less Centralization	Greater Centralizations
Flatter organization pyramids	Tall organization pyramids
Smaller proportion of supervisory personnel	Large proportion of supervisory personnel
Smaller wage differentials	Large wage differentials
High qualification of lower strata	Low qualification of lower strata
Manual work same status as clerical work	White-collar jobs valued more than blue-collar jobs

Source: Geert Hofstede (1980, 1984), Culture's Consequences; International differences in Work-Related Values; Sage publications, p. 107.

These differences which are identified at the organization have influences on the functioning of HRM practices. As the behaviour of 'Human Resource' determines the HR practices it can be stated that 'Power Distance' culture has also an influence on determining HRM practices. As the India is identified with high power distance characteristics and the US with low scores on power distance, this study has made an attempt to understand and identify the differences and influences on HR practices between companies of US origin and Indian companies.

Landscape of Power Distance Cultural Influence on HRM Practices:

It has been proved by many researchers that culture has an influence on various Human Resources activities like Recruitment, Selection, Training and Development, Performance Management, Career Planning, Compensation and Supervisory Practices (Sparrow, Budhwar, 1997; Aycan, Kanungo, Sinha, 1999; Aycan, et, all, 2000; Myloni, Harzing, Mirza 2004; Tayeb 2005; Vadi, Vereshagin, 2006; Tabrizi, Shabanesfahani, Safar, 2012).

Laurent (1986) stated that HRM mirrors culturally determined outlines, as it is influenced by the behaviour of Human Resources in organizations. Newman and Nollen (1996) stated that work teams in organizations can accomplish enhanced outcomes if their management practices are well-matched with national culture. There are important internal and external factors which have an impact on HRM practices. One such important factor selected for the present study is the influence of Power Distance culture on Human Resource Management activities as the culture of the place cannot be ignored, if we are required to manage Human Resources at international level.

HR Activities and Power Distance Cultural Sensitivity:

HR Activities	US	India	Source
Recruitment and Selection	Due to equality of value it is illegal to ask a candidate to reveal his age, gender, race, religion and marital status. The US also a low power distance cultural country where inequalities are not legally accepted.	Due to the acceptance of discrimination because of high power distance culture, the discrimination on the basis of gender, physical appearance, age and marital status is accepted in India.	Shobhana Madhavan, 2011, p.288.
Training & Development	In US trainers are mostly informal and they will have an equal relationship with trainees. They are encouraged to ask questions and challenge the trainers.	In India training is formal and the trainer is expected to be treated with respect.	Shobhana Madhavan, 2011, p.294-295.
Performance appraisal	In US employees are evaluated based on achievement of targets.	In India employees are evaluated based on relationship orientation.	Tayeb, 2005, p.214
Compensation	In US, as an individualist and short-term orientation culture does not provide maternity benefits and gratuity to the employees.	In India as a power distance and long term orientation provide maternity benefits and gratuity to the employees.	Shobhana Madhavan, 2011, p.294-295.
Employee related values & Practices	In US employees prefer participative leadership styles, superiors are well approachable, Status is determined based on performance and achievement. Promotion and reward is given based on merits.	In India employees prefer paternalistic and authoritarian leadership and they prefer to work under supervision. They accept differentiated reward system and control strategies.	Tayeb, 2005, p. 70, 79.

The cultural factors specifically power distance culture has created a huge differences in HR practices among the different companies. Based on these differences the present study has been undertaken to understand the influence of power distance culture on HR practices in India among the Indian origin and the US origin companies.

The study explores the perception of HR managers to understand how power distance culture will exert an influence on HR practices. In order to describe this, an empirical study has been conducted with following research questions: (1) To what extent HR practices are influenced by Power Distance culture? (2) To what extent the power distance culture is different in the US based and the Indian based companies operating in India?

RESEARCH METHODOLOGY:

Culture has a significant impact on the approach to managing people, because organizations are established by people with set of values and beliefs. These cultural differences require different approaches in management practices. As Sparrow & Wu (1998) have identified that the HR practices are influenced by the culture created a need to study the influences of 'power distance' culture on HRM practices. To study these cultural differences an empirical research study is adopted to find the perception of HR managers towards power distance cultural differences and its influence on HRM practices. The data was collected from 70 HR managers who are working in IT industry in the Indian (36 HR managers) based and the US (34 HR managers) based companies who are operating in India. The convenience sampling technique was adopted to identify the organizations and their HR managers. The primary data was collected with the help of structured questionnaires. Secondary data is collected with the help of journals, books, magazines, websites, research papers, articles, company reports, research thesis etc.

RESEARCH OBJECTIVES:

1. To study the perception of Human Resource Managers on Power Distance culture
2. To understand the Power Distance cultural differences in organizations.
3. To assess the Power Distance cultural influence on Human Resource Management practices.
4. To compare the relationship between two different 'Country-of-origin cultures who are operating in India.

RESEARCH HYPOTHESIS:

Hypothesis – 1:
Null Hypothesis H0: There are no significant differences in the sample group between the two different 'Country-of-origin' companies based on Power Distance culture and Human Resource Management practices.
Alternative Hypothesis H1: There is a significant difference in the sample group between the two different 'Country-of-origin' companies based on Power Distance culture and Human Resource Management practices.

Hypothesis 2:
Null Hypothesis H0: There is no significant variation between the two different 'Country-of-origin' companies in accordance with the Power Distance culture on Human Resource Management practices in India.
Alternative Hypothesis H1: There is a significant variation between the two different 'Country-of-origin' companies in accordance with the Power Distance culture on Human Resource Management practices in India.

Hypothesis 3:
Null Hypothesis H0: There is no significant relationship between US and Indian origin IT companies based on Power Distance culture and Human Resource Management practices such as Recruitment, Selection, Training and Development, Compensation and Reward System, Performance Management and Career Planning.
Alternative Hypothesis H1: There is a significant relationship between US and Indian origin IT companies based on Power Distance culture and Human Resource Management practices such as Recruitment, Selection and Training and Development, Compensation and Reward system, Performance Management and Career Planning.

Hypothesis 4:
Null Hypothesis H0: There is no significant relationship between Power Distance culture and Human Resource Management practices.
Alternative Hypothesis H1: There is a significant relationship between Power Distance culture and Human Resource Management practices.

Measures:
Hofstede's 'Power Distance cultural dimension is used to measure the dependent variables to study the influence on HRM practices such as Recruitment, Selection, Training & Development, Compensation and Reward system, Performance Management, Career Planning and Supervisory Practices. Respondents were asked to indicate how these variables will resemble their organizations, using 5-point Likert Scale. A survey questionnaire was developed to analyse the degree of impact of 'power distance culture' on HRM practices in companies who are operating in India. The questionnaire contained 93 questions which are divided in to 1 independent factor and 8 dependent factors. The questionnaire reliability is identified at Cronbach's Alpha 0.793.

DATA ANALYSIS:

The data collected with the help of closed-end questions are summarized and efforts have been made to tabulate and to analyze the data with the help of percentage method. Descriptive & Inferential Statistical techniques like Means, 'T' test Independent samples, Correlation, one way ANOVA and Regression are used to test the relationship between HRM practices & Power Distance culture.

LIMITATIONS OF THE STUDY:

- Only two 'Country-of-origin' companies who are operating in India are selected for the study.
- The Power Distance culture and national culture is measured adopting secondary data of Hofstede cultural model.
- The primary and secondary data are used to compare the HRM practices.
- Findings are completely based on the assumption that Indian HR managers who work for different companies are influenced by the 'county-of-origin' culture.
- Only present HRM practices will be studied to analyze the impact of culture on HR practices.

ANALYSIS AND INTERPRETATIONS :

Section – A Demographic Profile:
Objective of this analysis is to understand better the respondents i.e. HR managers who are serving in Information Technology Industry in India.

Table No 1: Respondents classification based on age group

Origin-of-the-parent Company				Age					Total
				20-24 years	25-29 years	30-34 years	35-39 years	40 & above years	
India	Nature Of the Company	IT	Count	1	18	9	8		36
			% within Age	100.0%	100.0%	100.0%	100.0%		100.0%
			% of Total	2.8%	50.0%	25.0%	22.2%		100.0%
	Total		**Count**	**1**	**18**	**9**	**8**		**36**
			% within Age	**100.0%**	**100.0%**	**100.0%**	**100.0%**		**100.0%**
			% of Total	**2.8%**	**50.0%**	**25.0%**	**22.2%**		**100.0%**
US	Nature Of the Company	IT	Count	12	13	3	1	5	34
			% within Age	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			% of Total	35.3%	38.2%	8.8%	2.9%	14.7%	100.0%
	Total		**Count**	**12**	**13**	**3**	**1**	**5**	**34**
			% within Age	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
			% of Total	**35.3%**	**38.2%**	**8.8%**	**2.9%**	**14.7%**	**100.0%**

Source: Survey Data

From Table No. 1 it can be analysed that majority of the respondents i.e. 50% of the Indian based organizations and 38.2% respondents of the US based organizations belong to 25-29 years age group.

Table No 2: Grouping of respondents based on Experience in IT industry

Origin-of-the-parent Company				Experience				Total
				1-3 years	4-6 years	7-9 years	10 years & Above	
India	Nature Of the Company	IT	Count	4	15	10	7	36
			% within Experience	100.0%	100.0%	100.0%	100.0%	100.0%
			% of Total	11.1%	41.7%	27.8%	19.4%	100.0%
	Total		**Count**	**4**	**15**	**10**	**7**	**36**
			% within Experience	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
			% of Total	**11.1%**	**41.7%**	**27.8%**	**19.4%**	**100.0%**
US	Nature Of the Company	IT	Count	14	7	5	8	34
			% within Experience	100.0%	100.0%	100.0%	100.0%	100.0%
			% of Total	41.2%	20.6%	14.7%	23.5%	100.0%
	Total		**Count**	**14**	**7**	**5**	**8**	**34**
			% within Experience	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
			% of Total	**41.2%**	**20.6%**	**14.7%**	**23.5%**	**100.0%**

Source: Survey Data

From Table No. 2 it can be analysed that majority of the respondents i.e. 41.7% are from the Indian based organizations that have 4-6 years of work experience and 41.2% from US based organizations in India have 1-3 years of work experience in IT industry.

Table No 3: Grouping of respondents based on educational background in IT industry

Origin-of-the-parent Company				Qualification		Total
				Graduation	Post-Graduation	
India	Nature Of the Company	IT	Count	17	19	36
			% within Qualification	100.0%	100.0%	100.0%
			% of Total	47.2%	52.8%	100.0%
	Total		**Count**	**17**	**19**	**36**
			% within Qualification	**100.0%**	**100.0%**	**100.0%**
			% of Total	**47.2%**	**52.8%**	**100.0%**
US	Nature Of the Company	IT	Count	11	23	34
			% within Qualification	100.0%	100.0%	100.0%
			% of Total	32.4%	67.6%	100.0%
	Total		**Count**	**11**	**23**	**34**
			% within Qualification	**100.0%**	**100.0%**	**100.0%**
			% of Total	**32.4%**	**67.6%**	**100.0%**

Source: Survey Data

From Table No. 3 it can be analysed that majority the respondents i.e. 52.8% from Indian based organizations and 67.6% from US based organizations have post-graduation qualifications in IT organizations in India.

Section B - Relationship between Power Distance Culture and HRM Practices:
The objective of this section is to compare and explain the relationship between the Power Distance cultural differences on Human Resource Management Practices in IT organizations in India.

Table No 4: HR manager's perception towards HR practices and Power Distance cultural differences

Descriptive Statistics					
Variables	**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Recruitment	70	3.00	4.00	3.7714	.42294
Selection	70	3.00	4.00	3.9000	.30217
Training & Devt.	70	3.00	4.00	3.8857	.32046
Compensation and Reward Systems	70	3.00	4.00	3.3571	.48262
Performance Mgt.	70	3.00	4.00	3.4429	.50031
Career Planning	70	3.00	4.00	3.4714	.50279
Supervisory Practices	70	3.00	4.00	3.3143	.46758
Employee Retention	70	2.00	5.00	3.4143	.73214
Power Distance	70	3.00	4.00	3.3286	.47309
Valid N (listwise)	70				

Source: Survey Data

From Table No. 4 it is observed that the mean values range from 3.3143 to 3.9000 which indicates that there is a relevance of Power Distance culture on HRM practices in IT organizations.

Hypothesis 1:
Null Hypothesis H0: There are no significant differences in the sample group between the two different 'Country-of-origin' companies based on Power Distance culture and Human Resource Management practices.
Alternative Hypothesis H1: There is a significant difference in the sample group between the two different 'Country-of-origin' companies based on Power Distance culture and Human Resource Management practices.

Group Statistics

	Origin-of-the-parent Company	N	Mean	Std. Deviation	Std. Error Mean
PDist	India	36	3.5833	.50000	.08333
	US	34	3.0588	.23883	.04096
REC	India	36	3.8333	.37796	.06299
	US	34	3.7059	.46250	.07932
SEL	India	36	4.0000	.00000	.00000
	US	34	3.7941	.41043	.07039
TND	India	36	3.8333	.37796	.06299
	US	34	3.9412	.23883	.04096
CRS	India	36	3.2500	.43916	.07319
	US	34	3.4706	.50664	.08689
PM	India	36	3.6944	.46718	.07786
	US	34	3.1765	.38695	.06636
CP	India	36	3.8333	.37796	.06299
	US	34	3.0882	.28790	.04937
SPE	India	36	3.4167	.50000	.08333
	US	34	3.2059	.41043	.07039

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
PDist	Equal variances assumed	98.065	.000	5.547	68	.000	.52451	.09456	.33581	.71321
	Equal variances not assumed			5.649	50.809	.000	.52451	.09286	.33808	.71094
REC	Equal variances assumed	6.570	.013	1.266	68	.210	.12745	.10071	-.07351	.32841
	Equal variances not assumed			1.258	63.819	.213	.12745	.10129	-.07491	.32981
SEL	Equal variances assumed	66.096	.000	3.011	68	.004	.20588	.06837	.06944	.34232
	Equal variances not assumed			2.925	33.000	.006	.20588	.07039	.06268	.34909
TND	Equal variances assumed	8.998	.004	-1.417	68	.161	-.10784	.07608	-.25966	.04397
	Equal variances not assumed			-1.435	59.559	.156	-.10784	.07514	-.25817	.04248
CRS	Equal variances assumed	10.524	.002	-1.950	68	.055	-.22059	.11314	-.44636	.00518
	Equal variances not assumed			-1.942	65.401	.056	-.22059	.11361	-.44745	.00628
PM	Equal variances assumed	6.595	.012	5.036	68	.000	.51797	.10286	.31272	.72323
	Equal variances not assumed			5.063	66.885	.000	.51797	.10231	.31376	.72218
CP	Equal variances assumed	3.984	.050	9.238	68	.000	.74510	.08066	.58415	.90605
	Equal variances not assumed			9.309	65.139	.000	.74510	.08004	.58526	.90494
SPE	Equal variances assumed	13.896	.000	1.921	68	.059	.21078	.10970	-.00812	.42969
	Equal variances not assumed			1.932	66.731	.058	.21078	.10908	-.00696	.42853

Source: Survey Data

a. Since the p value .000 is less than 0.01 (p<0.01), there is a significant differences between the two 'Country-of-origin' companies with reference to Power Distance culture hence null hypothesis is rejected and alternative hypothesis is accepted.

b. The statistical difference between two sample groups is identified with Selection (p value 0.006 at 5% significance level), Compensation and Reward Systems (p value 0.056 at 10% significance level), Performance Management (p value 0.000 at 1% significance level), Career Planning (p value 0.000 at 1% significance level) and supervisory practices (p value 0.058 at 10% significance level) hence it can be stated that there is a significant difference between the two different sample groups in terms of HR practices such as Selection, Compensation & Reward System, Performance Management, Career Planning, and Supervisory Practices.

It is also identified from the table that there are no significant differences between the two different groups in Recruitment practices and Training & Development.

It can be concluded based on the findings that alternative hypotheses is accepted with reference to power distance and HR practices such as Selection, Compensation & Reward System, Performance Management, Career Planning, and Supervisory Practices.

Hypothesis 2:

Null Hypothesis H0: There is no significant variation between the two 'Country-of-origin' companies in accordance with the Power Distance culture on Human Resource Management practices in India.

Alternative Hypothesis H1: There is a significant variation between the two 'Country-of-origin' companies in accordance with the Power Distance culture on Human Resource Management practices in India.

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
REC	Between Groups	.687	1	.687	4.008	.049
	Within Groups	11.656	68	.171		
	Total	**12.343**	**69**			
SEL	Between Groups	.006	1	.006	.063	.803
	Within Groups	6.294	68	.093		
	Total	**6.300**	**69**			
TND	Between Groups	.122	1	.122	1.189	.279
	Within Groups	6.964	68	.102		
	Total	**7.086**	**69**			
CRS	Between Groups	.040	1	.040	.170	.682
	Within Groups	16.031	68	.236		
	Total	**16.071**	**69**			
PM	Between Groups	1.501	1	1.501	6.471	.013
	Within Groups	15.771	68	.232		
	Total	**17.271**	**69**			
CP	Between Groups	5.430	1	5.430	30.736	.000
	Within Groups	12.013	68	.177		
	Total	**17.443**	**69**			
SPE	Between Groups	.203	1	.203	.928	.339
	Within Groups	14.883	68	.219		
	Total	**15.086**	**69**			

Source: Survey Data

The findings identified a significant variation with reference to Power Distance culture on Human Resource Management practices of Recruitment (p value .049 at 5% significance level), Performance Management (.013 at 5% significance level) and Career Planning (p value .000 at 1% significance level) in India. However there is no variation with reference to Power Distance culture on Selection (p value .803), Training & Development (p value .279), Supervisory Practices (.339) and Compensation & Reward system (p value .682).

Hence the alternative hypothesis is accepted with reference to the variation of Power Distance culture on HR practices for Recruitment, Performance Management & Career Planning.

Null hypothesis is accepted and alternative hypotheses are rejected with reference to Power Distance culture on HR practices such as Selection, Training & Development, and Supervisory Practices and Compensation & Reward system.

Hypothesis 3:

Null Hypothesis H0: There is no significant relationship between US and Indian origin IT companies based on Power Distance culture and Human Resource Management practices such as Recruitment, Selection, Training & Development, Compensation & Reward system, Performance Management and Career Planning.

Alternative Hypothesis H1: There is a significant relationship between the US and Indian origin IT companies based on Power Distance culture and Human Resource Management practices such as Recruitment, Selection, and Training & Development, Compensation & Reward System, Performance Management and Career Planning.

Correlations

		REC	PDist	SEL	TND	CRS	PM	CP
REC	Pearson Correlation	1	.236*	-.181	.018	.193	.074	.241*
	Sig. (2-tailed)		.049	.133	.880	.110	.541	.044
	N	70	70	70	70	70	70	70
PDist	Pearson Correlation	.236*	1	.030	-.131	.050	.295*	.558**
	Sig. (2-tailed)	.049		.803	.279	.682	.013	.000
	N	70	70	70	70	70	70	70
SEL	Pearson Correlation	-.181	.030	1	.030	-.348**	.105	.124
	Sig. (2-tailed)	.133	.803		.806	.003	.385	.306
	N	70	70	70	70	70	70	70
TND	Pearson Correlation	.018	-.131	.030	1	.268*	.049	-.290*
	Sig. (2-tailed)	.880	.279	.806		.025	.687	.015
	N	70	70	70	70	70	70	70
CRS	Pearson Correlation	.193	.050	-.348**	.268*	1	.236*	-.107
	Sig. (2-tailed)	.110	.682	.003	.025		.049	.380
	N	70	70	70	70	70	70	70
PM	Pearson Correlation	.074	.295*	.105	.049	.236*	1	.368**
	Sig. (2-tailed)	.541	.013	.385	.687	.049		.002
	N	70	70	70	70	70	70	70
CP	Pearson Correlation	.241*	.558**	.124	-.290*	-.107	.368**	1
	Sig. (2-tailed)	.044	.000	.306	.015	.380	.002	
	N	70	70	70	70	70	70	70
*. Correlation is significant at the 0.05 level (2-tailed).								
**. Correlation is significant at the 0.01 level (2-tailed).								

Since the p value is less than 0.05 ($p<0.05$), the power distance culture has a significant relationship with HR practices of Recruitment (p value 0.49 significant at 5% level), Performance Management (p value .013 significant at 5% level) and Career Planning (p value 0.000 significant at 1% level). Hence there is a positive correlation with power distance culture and HR practices of Recruitment, Performance Management and Career Planning.

However there is no significant relationship between power distance and HR practices of Selection (p value 0.803), Training & Development (.279) and Career Planning.

Hypothesis 4:

Null Hypothesis H0: There is no significant relationship between Power Distance culture and Human Resource Management practices.

Alternative Hypothesis H1: There is a significant relationship between Power Distance culture and Human Resource Management practices.

Variables Entered/Removed[b]			
Model	Variables Entered	Variables Removed	Method
1	PDist[a]	.	Enter
a. All requested variables entered.			
c. Dependent Variable: hrmpract			

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427[a]	.182	.170	.40799
a. Predictors: (Constant), PDist				

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.524	1	2.524	15.161	.000[a]
	Residual	11.319	68	.166		
	Total	**13.843**	**69**			
a. Predictors: (Constant), PDist						
b. Dependent Variable: hrmpract						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.383	.349		6.828	.000
	PDist	.404	.104	.427	3.894	.000
a. Dependent Variable: hrm practices						

The p value is .000 is less than 0.1% (p<0.05) hence it is found that there is a significant relationship between Power Distance culture and Human Resource Management practices. The R value is .427 which indicates that 42% of the Human Resources Management practices are influenced by Power Distance culture in India.

FINDINGS FROM THE STUDY:

Hofstede study has identified the India with high score on Power Distance culture. As many researchers have claimed HR practices are influenced by culture, this empirical study was conducted to understand the level of influence of Power Distance culture on HR practices. To find this, primary data was collected from HR managers who are working for Indian and US IT industries in the India, as the United States has been identified with a low score on Power Distance culture according to Hofstede study.

The findings from the empirical study explains that there is a significant differences in two different 'Country-of-origin' companies based on Power Distance culture in India. The Power Distance cultural dimension explains that the power is concentrated at the top level in the Indian based organizations compared to the US based organisations. It is also identified that the US based organizations in India allows subordinates to address the superiors with the first name than Indian based organisations in India.

The study also identified that the Human Resource Management practices of these two 'Country-of-origin' was different specifically with reference to Selection, Compensation and Reward Systems, Performance Management, Career Planning and Supervisory practices. It has identified with a positive correlation with power distance culture and HR practices of Recruitment, Performance Management and Career Planning. Hence a significant relationship has identified with Power Distance culture and HRM practices of Recruitment, Performance Management and Career Planning.

Thus it can be conclude based on the findings that there is a significant relationship between Power Distance culture and Human Resource Management practices in organizations. The R value is .427 which indicates that 42% of the Human Resources Management practices are influenced by Power Distance culture in India compared to other factors.

CONCLUSION:

Globalization has changed the landscape of business which has generated huge opportunities and challenges to multinational companies around the world. This has created a prerequisite for every organization and to rethink the Human Resource Management Practices to enhance organizations performance in a competitive world.

This study was conducted to understand the influence of power distance culture on HRM practices. Based on the analysis it can be concluded from the findings that there is a difference in Human Resource Management practices in US and Indian 'Country-of-origin' companies. It is also found that Power Distance culture has a significant relationship in determining Human Resource Management practices in India specifically with regard to Recruitment, Performance Management and Career Planning.

Therefore the study substantiates that 'Origin-of-the parent' country culture has an influence on determining Human Resource Management Practices. It can also be stated that in future such studies can be undertaken to understand the influence of various cultural dimensions on HR practices among different industrial sectors to enable effective implementation of HR practices.

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