Does Cross-Culture Human Resource Management Affect Performance of International Organizations? Evidence from Rwanda

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Abstract: The interaction of employees in subsidiaries of international companies both from the parent and host countries pose a challenge to those handling human resource management issues due to differences in national cultures of those who work in the subsidiaries. The aim of this study was to investigate the effect of Cross Culture Human Resource Management (CCHRM) on employee attitudes and to examine the mediating role of employee outcomes on the relationship between CCHRM and employee attitudes in international companies operating in Rwanda. The employees in the organizations were selected using stratified random sampling based on organizations' departments. Hence, a sample of 300 employees was drawn from a total population of 830 employees. The study used document analysis for all the secondary data and regression analysis for primary data. The results show that there is a strong positive correlation between CCHRM and organization performance in international organization operating in Rwanda. The findings also indicate that employees’ outcomes positively mediated the relationship between CCHRM and organizational performance. Theoretical and practical implications of the findings are examined in this study.

Keywords: Cross-culture, Human Resource Management; organizational performance; employee outcome.

1. INTRODUCTION

The World over, the pressure of globalization has seen many companies spread to many countries to do their business (Gabrielson, Gabrielson, & Seppälä, 2012; Levitt, 1993). With globalization, companies now face increased competition at home from foreign companies while at the same time they confront the need to be competitive in the international market (Knight, 2000; Need, 2006). Hence, in order to survive and succeed, companies and organizations need to adopt innovative ways of running their business. Consequently, the challenge to do business innovatively in order to prevail in the competitive market has seen some companies in the developed countries to establish subsidiaries in developing countries. This business requires that management of multinational corporations conduct business with sensitivity toward the needs of different cultures (Need, 2006). The interaction of employees in both parent and host countries create a challenge to people handling human resources issues due to differences in the national culture of those who work in the subsidiaries. In this sense, changes of international organizations to the global trajectory of transacting business poses a challenge and requires suitable HRM practices, policies and processes (Guest, 1997; Laurent, 1986; Storey, 2014). In this paper, cross-culture human resource management (CCHRM) refers to how leadership or management of international organizations and
companies utilizes or fails to utilize cultural diversity in an organization or business to improve organizational performance and outcome.

1.1 Background
Extant literature confirms that companies and organizations face many cultural challenges in new societies as they strive to achieve their organizational goals (Delis, Gaganis, Hasan, & Pasiouras, 2016; Naranjo-Valencia, Jiménez-Jiménez, & Sanz-Valle, 2016). The challenges of cross-cultural issues on international business are the same for companies that work in developing countries like Rwanda in Africa. For instance, after the Rwandan genocide of 1994, many organizations and companies came to Rwanda and still come to Rwanda to help rebuild it and also tap on business opportunities which exist there (Ibreck, 2013; Kacou, 2010). This scenario has turned Rwanda into a country where issues of cross-culture human resources management (CCHRM) have become very critical for the running of international companies and organizations. As a research gap, previous studies in the world have tended to concentrate on causes of diversity in the workplace, best HRM practices and performance of organizations in cross-culture societies (Ferner, Almond, & Colling, 2005; White, 2009). Even with this situation, most of such studies have been conducted in the developed countries with very few studies on CCHRM being conducted in the developing countries (Brewster & Mayrhofer, 2012; Moran, Abramson, & Moran, 2014; Stahl, Björkman, & Morris, 2012). It was, therefore, noted that there was a gap of information about the impact of CCHRM on the performance of international companies working in Rwanda. It was hence hoped that this study was both timely and relevant as it would add a new horizon of understanding about how CCHRM practices affect the performance of companies.

1.2 Problem Statement
Rwanda has many international organizations and companies operating in a new cultural environment. This requires new organizations and companies to adjust to the new culture in order to be competitive and improve their performance. Research in the world suggests that cross culture human resource management (CCHRM) practices affect organizational and employee performance (Abdul Rashid, Sambasivan, & Johari, 2003; Shahzad, Luqman, Khan, & Shabbir, 2012). However, much of the previous research has tended to concentrate on causes of diversity in the workplace, best HRM practices and performance of organizations in cross culture societies (Budhwar, Chand, & Katou, 2007; Ramdani, Mellahi, Guermat, & Kechad, 2014; Tung, 1993). Even with this perspective, most of such research work has been conducted in developed countries in the west with very few studies on CCHRM done in the developing countries (Brewster & Mayrhofer, 2012; Moran, et al., 2014; Stahl, et al., 2012). The above knowledge gap on CCHRM is mainly from the developing world and Rwanda, in particular, was therefore seen as a niche requiring academic research to understand how CCHRM issues affect the performance of international organizations and employee productivity.

1.3 Objectives
The specific objectives of the study were to:

i. establish whether cross-culture human resource management (CCHRM) positively influences organizational performance in international companies operating in Rwanda.
ii. find out if CCHRM would positively influence employee outcomes in international companies operating in Rwanda
iii. examine if employee outcomes would positively influence organizational performance in international companies operating in Rwanda.
iv. establish whether employee outcomes mediate the relationship between CCHRM and organizational performance in international companies operating in Rwanda.
2. LITERATURE REVIEW

This section presents a review of extant literature related to the impact of cross-culture human resource management (CCHRMS) on the performance of international organizations and companies. The key areas which this literature review focuses on include: meaning of key terms and concepts in CCHRMS; human and cultural variables in global organization; cross cultural leadership and decision making; recruitment and selection in global organizations; and HRM performance determinants of international organizations.

2.1 Meaning of Culture and International business

It is important to note that in a scholarly world, it is not easy to agree on definitions of social phenomena (Mobärg, 2016; Wu, 2016). However, in order to discuss how cross-cultural differences affect the international business, we must have a common perspective about what culture is first. Culture is broadly defined as, “a learned, shared, compelling, interrelated set of symbols whose meanings provide a set of orientations for members of a society” (Terpstra & David, 1991). From the above definition, we perceive that culture constitutes many aspects such as values, behavior, beliefs, communication, music, myths, rituals, sport, and customs (Green, 1997).

For us to discuss how CCHRMS impacts the international business, we should also understand what international business is all about. From literature, we realize that international business happens when business activities of a company overlap across two or more countries (Morrison, 2006, p.5). In other words, international business happens when a company expands to the extent that a large portion of its business is outside its home country thereby making international alliances at the confluence of different cultures which include national, organizational, and occupational cultures (Morrison, 2006 & Salk & Shenkar, 2001).

2.2 National Culture

Different countries have different cultures, and nations are distinguishable from each other by a shared cultural history like religion, language and racial identity (Morrison, 2006). Moreover, what creates a common culture include shared language, religious and moral values, history, relationships between the individual and group, and other elements (Chwe, 2013). It is for this reason that Hofstede postulates that national culture relates primarily to deep-seated values (Hofstede et al., 1990). In fact, his study found that national culture explains 50% of the differences in managers' attitudes, beliefs, and values (Hofstede, 1991).

2.3 Organizational Culture

As people work together to achieve collective goals, groups tend to develop into organizations. As goals become more specific and longer-term; and work more specialized, organizations become both more formal and institutionalized (Eldridge & Crombie, 2013). Thus, organizations normally tend to take on a life of their own thereby developing widely held beliefs, values, and practices. This situation results into distinction between one organization and another and the difference often affects the organization's success or failure (Harper, 2015). It is important, therefore, that international organizations understand, manage and utilize appropriate CCHRMS practices so that their companies survive and increase their success.

2.4 Culture as System

In this context, culture is perceived as an entity or a concept worthy examining and analyzing. Schein (1992 & 1997) suggests that culture is “created, embedded and developed” and can be “manipulated, managed and changed” (Hogan & Coote, 2014). He further argues that the “dynamic processes of culture creation and management are the essence of leadership” and that leadership and culture are two sides of the same coin. Adding to that, Brown (1998) lists 14 different definitions of culture and states that in 1952, the anthropologists Kroeber and
Kluckhohn isolated 164 different definitions of culture. Literature also tells us that most cultural change models, [Brown (1998) for a detailed exploration of five of these models] are, like Schein’s model, largely based on a systems understanding of organizations and are concerned with large-scale changes of the 'whole system' through planned processes of intervention which is heavily dependent on the leader who is a designer and implementer (Hogan & Coote, 2014).

It is worth noting that professional cultures develop through socialization as individuals receive the socialization during their training and occupational education (Maanen & Barley, 1984; Jordan, 1990, Brown & Duguid, 1991; Lave & Wenger, 1991). Socialization is reinforced through the individuals’ professional experiences and interactions that lead to a broad understanding of how their occupation should be conducted. Moreover, Trice and Beyer (1993) concluded that professional cultures shape up as people share a set of norms, values, and beliefs related to their occupation. Sirmon and Lane’s (2004) research findings suggest that professional, cultural differences are often the most relevant and salient cultural differences that the interacting employees face, and thus professional culture differences are the most disruptive to the alliance’s effectiveness in achieving its primary value-creating activities. It is for this reason that organizations and business firms use training and other strategies to induct their employees, so that cultural elements do not negatively affect operations and drives to achieve goals (Real, Roldán, & Leal, 2014).

2.5 Impact of culture on organizational performance
There is ample research which indicates that culture has a mammoth impact on the performance of any business and that the impact is even stronger on international companies (Rabi, Jayasinghe, Gerhart, & Kühlmann, 2014). This scenario is said to be because cultural differences can directly impact on the success or failure of a project (Deephouse, Newbury, & Soleimani, 2016; Naranjo-Valencia, et al., 2016). Therefore, it was deemed very important to establish how different cultures impact on the international business companies in Rwanda as a proxy.

2.6 Impact of HRM on Business Performance
Human resources management (HRM) is defined as implementation of policies and practices needed to carry out the “people” or human resource aspect of a management position, including selection, job definition, training, performance appraisal, compensation, career planning and encouraging employee participation in decision making (Sanders, Shipton, & Gomes, 2014; Storey, 2014). From another point of view, HRM is defined as a process for the development of abilities and the attitude of the individuals, leading to personal growth and self actualization which enables the individual to contribute towards organizational objectives (Rosemann & vom Brocke, 2015). Human resource management is associated with all the managerial functions involved in planning for recruiting, selecting, developing, utilizing, rewarding, and maximizing the potential of the human resources in an organization (Ayanda, Lawal, & Ben-Bernard, 2014). Comparative advantages and organizational performance are largely derived from organizational human resources management and high involvement of human resource management practices. Although, in most of the developing countries the main struggle is going on to find out best ways to optimally utilize these practices (Ayanda, et al., 2014).

One other point to note is that effective use of cross-cultural teams in an organization can provide a source of experience sharing and innovative thinking to enhance the competitive position of organizations (Kearney, Gebert, & Voelpel, 2009; Stahl, Maznevski, Voigt, & Jonsen, 2010). However, cultural differences can also interfere with the successful completion of projects in today’s multicultural global business community (Zanoni, Janssens, Benschop, & Nkomo, 2010). To achieve project goals and avoid cultural misunderstandings, project
managers should be culturally sensitive and promote creativity and motivation among their staff. This could be done through flexible leadership; application of CCHRM theories, use of motivational orientation, orientation toward risk, definition of the ‘self’ versus ‘others’, improvement of attitudes to time and the environment (Chhokar, Brodbeck, & House, 2013). We will later focus on motivation and training of multicultural project teams and relevant implications for international business management.

The focus of this study was on HRM domains of selection, training, job description, performance appraisal system, compensation system career planning system and employee participation with relation to cross culture. In the field of human resource management and behavioral sciences, plenty research and debate indicate that there is a positive correlation between effective HRM practices and organizational performance (Deepak et al, 2003; Sels et al., 2003; Singh, 2004). For example, authors Qureshi et al. (2007) explored the effect of selection, performance appraisal, training, and compensation system and employee participation with organizational performance (Bhatti & Qureshi, 2007). Out of these practices, only selection, training and employee participation had positive impacts on organizational performance and market performance of the organization.

From other studies, job definition and career planning system have been established to have a negative and insignificant impact on business performance. For instance, Deepak et al. (2003) concluded that organizational performance and competitiveness can be enhanced by utilizing high-performance work system. In another study, Arthur (1994) found that steel mills that use an HRM 'Commitment System' have higher productivity levels than those that do not. On the other hand, companies interested in enhancing HR performance may emphasize the need for staff empowerment and training.

In a few studies, however, there is no clear effect of HRM practices on productivity (Delaney et al., 1989). For instance, Kelley (1996) found that HRM practices do not affect performance of organizations. Batt (2002) also found out that HRM practices do not pay off in small organizations that operate in local markets. Cappelli and Newmark (2001) identified that HRM practices may increase productivity slightly, but they also increase labor costs. In a different study, Huselid (1995) established that HRM practices are statistically significant and have positive effect on corporate financial performance of the organization. It can, therefore, be seen that numerous researchers found a relationship between corporate financial performance and HRM practices. For example, Flamholtz (1985) and Cascio (1991) concluded that financial returns associated with investments in progressive HRM practices are generally substantial. Schmidt et al. (1979) explored that increasing one unit of employee performance is equivalent to 40% of salary increase. Each of these studies has emphasized the impact of HRM on organizational performance. However, we do not see much scholarly work on how CCHRM affects the performance and employee outcome in international organizations and business. In other words, from the above review of the literature, it would appear that the impact of CCHRM has not been emphasized in the globe and much less, if any, in Rwanda. This study was therefore situated in this knowledge gap on the subject under study.

3. METHODOLOGY

3.1 Procedures and participants

A total of 300 questionnaires were distributed to the sampled respondents. However, only 249 were correctly filled in and submitted back for the data analysis. The returned questionnaire represented 83% response rate. The respondents were employees across eight international companies operating in Rwanda for past ten years. The questionnaires were self-administered to all the respondents, but further explanations were given to those who needed further clarifications on the questions. The measure's demographic characteristics used in the
questionnaire were; gender, age, education, position held in the company, company name, employment status, and nationality type. The table below gives a demographic description of respondents.

Table 1: Descriptive statistics of the demographic data

| Item                | Frequency | Percentage (%) |
|---------------------|-----------|----------------|
| **Companies**       |           |                |
| Bralirwa            | 74        | 29.7           |
| KCB(Bank)           | 28        | 11.2           |
| Equity(Bank)        | 38        | 15.3           |
| I&M (Bank)          | 9         | 3.6            |
| Sonarwa             | 16        | 6.4            |
| Mota Engil          | 26        | 10.0           |
| MTN                 | 33        | 13.3           |
| TIGO                | 26        | 10.4           |
| **Nationality**     |           |                |
| Foreign national    | 97        | 39.0           |
| Local employees     | 152       | 61.0           |
| **Gender**          |           |                |
| Male                | 151       | 60.6           |
| Female              | 97        | 39.0           |
| **Employment status** |       |                |
| Ad-Hoc              | 45        | 18.1           |
| Permanent           | 60        | 24.1           |
| Contract            | 144       | 57.8           |
| **Academic qualification** | |    |
| PHD                 | 6         | 2.4            |
| Masters             | 66        | 26.5           |
| Bachelors           | 139       | 55.8           |
| Professional certificate | 38 | 15.3 |
| **Age**             |           |                |
| 21 to 30            | 49        | 19.7           |
| 31 to 40            | 91        | 36.5           |
| 41 to 50            | 57        | 22.9           |
| 51 to 60            | 44        | 17.7           |

3.2.1 Research Model
A research model is basically a simplified representation of the logic and process of actions and plans designed to conduct a study (Baechler, 2013). This study employed the following research model to conduct the study. The model was designed by the researcher after learning from other models.
3.2.2 Research Hypotheses
A hypothesis is a clever explanation or prediction of an answer that needs to be tested true or false in a study. This section presents hypotheses which this study pursued and tested. By way of presentation, the section presents the generally agreed hypotheses tested by other previous studies before connecting to the hypothesis used in the study. This study used four hypotheses, and these were as follows:

**Hypothesis 1**
Cross-culture Human Resource Management will be related to organizational performance in international companies operating in Rwanda.

**Hypothesis 2**
Cross-culture Human Resource Management will be related employee outcomes in international companies operating in Rwanda.

**Hypothesis 3**
Employee outcomes will be related organizational performance in international companies operating in Rwanda.

**Hypothesis 4**
Employee outcomes will mediate the relationship between cross-culture Human Resource Management and organizational performance in international companies operating in Rwanda.

3.3 Measures
This study used a questionnaire which was in English, and most of the questionnaire items used a four Likert Scale with the exception of the demographic items ranging from 4 = Strongly Agree, 3 = Agree, 2 = Disagree 1 = Strongly Disagree.
3.3.1 Recruitment and selection
Ten (10) items were used in the questionnaire to measure recruitment and selection. A sample item is "my company recruits and retains high caliber people through harnessing the creative capacity of its employees thus my organization creates a work environment and culture where this creativity will flourish". (Cronbach’s $\alpha = .88$).

3.3.2 Training and Development
Seven (7) items were used to measure training and development. A sample item is "training programmes mostly reinforce norms, values, and perspectives of the dominant organizational culture from the head quarters" (Cronbach’s $\alpha = .92$).

3.3.3 Performance Appraisal
Four (4) items were used to measure performance appraisal. A sample item is "our company usually does not involve culturally diverse employees in performance appraisal panels" (Cronbach’s $\alpha = .87$).

3.3.4 Compensation and Rewards
Six (6) items were used to measure compensation and rewards. A sample item is "my company takes specific qualification and skills of the employees into consideration when deciding rewards level" (Cronbach’s $\alpha = .93$).

3.3.5 Communication
Seven (7) items were used to measure communication. A sample item is "the language of communication at workplace is understandable by all employees" (Cronbach’s $\alpha = .91$).

3.3.6 Organizational Performance
On this, 17 items were used to measure organizational performance. The 17 items were taken from the following constructs; market share, productivity, quality and sales growth. A sample item is "in our company, we manage to cope with market demands and develop new products or services quickly". (Cronbach’s $\alpha = .95$).

3.3.7 Employee Outcome
On this, 16 items were used to measure employee outcome. The 16 items were taken from the following constructs; intention to quit, commitment and competence. A sample item is "if I could choose again, I would choose to work for the current organization" (Cronbach’s $\alpha=84$).

3.4 Data Analysis
Data analyses First, Cronbach’s alpha analysis was conducted to examine the distinction validity of the variables using the Lisrel 8.70. Then, correlations and regression analysis were conducted to test their direct relationships using the IBM SPSS 20.0. Finally, PROCESS, developed by Hayes (2013), was used to test the Effects of cross culture Human Resources Management on organizational performance because this research model includes the mediator (i.e. employees outcome).

4. FINDINGS
4.1 Correlation Analysis
From table 2, it can be seen that there is a strong positive correlation between cross culture recruitment and selection and organizational performance ( $r = .69$, $p < 0.01$), strong positive correlation between cross culture training and development and organizational performance ($r=.57,p<0.01$), strong positive correlation between cross culture performance appraisal and organizational performance ($r=.55,p<0.01$), strong positive correlation between cross culture compensation rewards and organization performance ($r=.66,p<0.01$) and strong positive
correlation between cross-cultural communication and organizational performance \((r=.67, p<0.01)\). From these results, we can confirm that there is a strong positive correlation between Cross Culture Human Resource Management (CCHRM) and organization performance.

The findings have also shown that there is a positive medium correlation between cross culture recruitment and selection and employee outcome \((r=.41, p<0.01)\), strong positive correlation between cross culture training and development and employee outcome \((r=.54, p<0.01)\), positive medium correlation between cross culture performance appraisal and employee outcome \((r=.32, p<0.01)\), strong positive correlation between compensation and rewards and employee outcome \((r=.64, p<0.01)\) and strong positive correlation between cross-culture communication and employee outcome \((r=.54, p<0.01)\). From these results, we can also confirm that there is a positive, acceptable correlation between CCHRM and employee outcome.

As shown, employees outcome was positively related to organizational performance \((r=.95, p<0.01)\). This means there is a strong positive correlation between employee outcome and organizational performance.

| Variable                      | M   | SD  | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. Work Place                 | 3.81| 2.50| .49 | .50 | .63 | .60 | .54 | .40 | .32 | .54 | .59 | .66 |
| 2. Gender                     | 1.39| .49 | .49 | .50 | .63 | .60 | .54 | .40 | .32 | .54 | .59 | .66 |
| 3. Nationality                | 1.61| .48 | .50 | .68 | .52 | .60 | .54 | .40 | .32 | .54 | .59 | .66 |
| 4. Recruitment and Selection  | 2.71| .97 | .68 | .57 | .66 | .56 | .54 | .32 | .54 | .54 | .59 | .66 |
| 5. Training and Development   | 3.54| .88 | .51 | .73 | .50 | .40 | .32 | .54 | .54 | .54 | .59 | .66 |
| 6. Performance Appraisal      | 3.29| .77 | .57 | .66 | .56 | .54 | .32 | .54 | .54 | .54 | .59 | .66 |
| 7. Compensation & Rewards     | 2.05| 1.10| .61 | .73 | .71 | .33 | .61 | .40 | .31 | .59 | .66 | .67 |
| 8. Communication              | 3.80| 2.50| .42 | .59 | .50 | .38 | .43 | .31 | .59 | .66 | .67 | .67 |
| 9. Organizational Performance | 2.05| 1.10| .74 | .70 | .78 | .69 | .57 | .55 | .66 | .67 | .67 | .67 |
| 10. Employee Outcome          | 2.63| .68 | .59 | .60 | .59 | .41 | .54 | .32 | .64 | .54 | .54 | .63 |

*Note: n= 249; reliability coefficients (Cronbach's alpha) for the scales are in parentheses along the diagonal.

* \(p<0.05\); ** \(p<0.01\)
4.2 Regression Analysis and Hypothesis Testing

To respond to the research questions and the hypothesis, this study made use of hierarchical regression analysis after all the necessary assumptions had been met to show the value of each of the independent variables on the dependent variable. The multiple regression assessed the relationship of dichotomous or predictive variables on a criterion variable (Cohen, Cohen, West, & Aiken, 2013). In the regression models, workplace, nationality, gender, employment status, academic qualification, age and positions of the respondents were entered as the control variables in one block (model 1). Five measures namely; Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Rewards and Communication were transformed and computed as the measure of Cross-culture human resource management. Intention to quit, commitment and competence were computed as employee outcome and the mediating variables.

Table 5.4 displays the results of the analysis. From the results, it can be deduced that CCHRM was related to organizational performance in international companies operating in Rwanda (β = .58, p < .01, R² = .89); (β = .47, p < .01, R² = .85); (β = .74, p < .01, R² = .94); (β = .30, p < .01, R² = .94) as shown in models 2, 3, 4, 5. For this reason, hypothesis one is accepted. This finding is in conformity with many studies in the world on this matter (Gelade & Ivery, 2003; Jiang & Liu, 2015; Karatepe, 2013).

Hypotheses 2, 3 and 4 was also accepted because from model 6 and 7, it can be concluded that employee outcomes partially mediates the relationship between CCHRM and organizational performance in the international companies in Rwanda (β = .45, p < .01, R² = .94); (β = .46, p < .01, R² = .95); (▲R² = .003, F = 3.01, p < .01) and cross-culture human resource management relates to employee outcome. Similarly, employee outcome was related to organizational performance as could be inferred from the correlation table as well. This is similar to findings of numerous other studies (Shuck et al., 2014; Truss, Shantz, Soane, Alfes, & Delbridge, 2013).

Table 3: Hierarchical Regression Analysis Results and Mediation Test

| Independent Variables | Cross-culture Human Resource Management |
|------------------------|-----------------------------------------|
|                        | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 | Model 6 | Model 7 | Model 8 |
| Control Variables      |         |         |         |         |         |         |         |         |
| Gender                 | .62     | .43     | .09     | .02     | .03     | -.04    | -.03    | -.09    |
| Age                    | .34     | .30     | .21     | .11     | .11     | .10     | .05     | .33     |
| Work Place             | -.25    | -.21    | -.10    | -.01    | -.01    | -.02    | -.02    | -.01    |
| Position               | -.22    | -.26    | -.23    | -.09    | -.09    | -.07    | -.02    | .03     |
| Nationality            | .15     | .06     | -.05    | -.20    | -.19    | -.19    | -.16    | -.05    |
| Employment Status      | .25     | .15     | .11     | .10     | .11     | .09     | .10     | .05     |
| Academic Qualification | .03     | -.03    | -.01    | .08     | .09     | .08     | .09     | .06     |
| Predictors             |         |         |         |         |         |         |         |         |
| Recruitment and Selection | .47**   | .33**   | .10     | .11**   | .05     | .06     | -.005   |
| Training and Development |        | .58*    | .14**   | .16**   | .15**   | .11**   | .012    |
| Performance Appraisal  |          | .74**   | .77**   | .68**   | .44**   | .155    |
| Compensation & Rewards | -.10**  | -.13**  | -.30**  | -.123   |        |
| Communication          | .30**   | .21     | .101    |        |
| Mediation              |         |         |         |         |         |         |         |         |
| Employee Outcomes      | .45**   | .46**   | .05     |        |
| Interaction            |         |         |         |         |         |         |         |         |
| RC x TD x PA x CR x C x E | .82     | .85     | .89     | .94     | .94     | .94     | .95     | .95     |
| R²                     | .02**   | .03***  | .05***  | .00**   | .004*** | .003*** | .009*** |
| ▲R²                   | 1.54**  | 1.67**  | 2.00    | 3.51**  | 3.19**  | 3.11*   | 3.01**  | 3.28**  |

Note: N = 249; variables. * p < .05, ** p < .01, *** p < .001.
Generally, the 4th hypothesis was carried out in accordance with the procedures propounded by Kline (2015) and Purpora & Blegen (2015). According to these scholars, the mediating variable must be related to the predictive variable and the predictive variable must be related to the criteria variable as well. The relationships in the hypothesis can be deduced from Table 5.4 as it can be inferred that the inclusion of the mediating variable gradually increased the predictive ability of the independent variables across all models. The model 8 is worth taking note of as its $R^2$ value is .95 with corresponding $\beta = .45$.

## 5. CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusions

This study examined the impact of cross culture human resources management (CCHRM) on the performance of international organizations operating in Rwanda. The aim of the study was to assess the effect of CCHRM on the performance and employee outcomes in international organizations. Methodologically, this study mainly used the quantitative approach. Primary data were collected using items on the Likert Scale while secondary data were gathered through documentary analysis. Regarding the findings, the study established that all the cross-cultural HRM practices were perceived to have varying forms of high impact on employee outcomes and organizational performance. The results of this study show a high correlation between CCHRM and organizational performance thereby suggesting that international organizations should mainstream cross culture factors in their programs if they are to promote the performance of their companies or organizations (Rabl, et al., 2014). The study also showed that employee outcomes will mediate the relationship between cross-culture Human Resource Management and organizational performance in international companies.

### 5.2 Practical contributions

This study might have several practical contributions to international companies to help them utilize CCHRM to increase and promote survival and profits for their organizations. Firstly, there is insufficient literature on this topic mainly from Rwanda and the sub-Saharan region. This study has added more literature and plausible answers to some of the questions raised on the importance of CCHRM on the performance of international business and organisations. This is because this study has corroborated other findings that good CCHRM enables international organization like in Rwanda to benefit from the contributions of the foreign work force (Farndale & Sanders, 2016; Rabl, et al., 2014). This study has also corroborated findings which suggest that cross-cultural HRM practices (such as Recruitment and Selection practices, Cross Cultures Training, Employees’ Compensation and Reward Systems Effective cross-cultural communication) have a big impact on the performance of international organizations (Gabriel, Gabriel, & Nwaeke, 2015; Renwick, Redman, & Maguire, 2013). This part of findings, therefore, affirm that international organizations should be careful and sensitive when handling issues like recruitment and selection if they are to improve employee performance and general organizational success.

### 5.3 Theoretical contributions

This study adds new theoretical horizons in the study of cross culture human resource management (CCHRM) concerning international organizations. Firstly, most previous studies have focused on the impact of HRM on organizational and business performance. However, this study adds the trajectory of ‘cross-culture’ thereby adding thinking about how cross-cultural issues affect international business and organizations. This perspective helps in theorizing how HRM practices can utilize cultural diversity of employees for business and organizational performance. Further, the methodology used could be used or adapted by other studies in this CCHRM and related studies.
5.4 Study limitations and suggested future research

The main limitation that this study faced was that there is very scarce literature on cross culture human resource management as most studies focus on HRM alone in this area of study. This situation implies that focus on CCHRM is scarce in Rwanda. We would, therefore, suggest that more studies should now venture into how cross culture human resource management is done in international organizations so that we have a better base of knowledge on this in Rwanda and the sub-Saharan region.

Finally, but not exhaustive, it could be interesting to investigate cross culture human resource management issues that affect the operations of international organizations and companies like policy, politics and socio-economic environment. This could also add atypical knowledge to this study perspective.

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