

# Journal of Business and Economics

Volume 5, Number 12, December 2014





# **Journal of Business and Economics**

Volume 5, Number 12, December 2014



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## Who Wants Digital HRM? The Example of Luxembourg

Ursula Schinzel

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**Abstract:** Purpose: This research asks the questions “who wants *digital* HRM?” or “do we really want *digital* HRM?” with the example of Luxembourg who goes against the current trend of going digital. It investigates the cultural and linguistic characteristics of Luxembourg that may influence the tendency of human resources specialists in Luxembourg to be reluctant towards digital social networking technologies such as LinkedIn, Viadeo, Xing, Facebook and Twitter. Design: Interviews, questionnaires and case studies are used in 31 companies in Luxembourg. The author explores the extent of the use of new social networking technologies in Luxembourg. She looks at the specific political, economic and historical context of Luxembourg that impact the use of social networking platforms in the management of HR. Findings: The reluctance to use social networking technologies is related to Luxembourg’s high score on Hofstede’s “Uncertainty Avoidance”. Luxembourgish language is used as an identifier in the Grand Duchy, might represent an impediment to the extent of adoption and use of digital social networking technologies. Research limitations: The comparatively small sample size constitutes a factor that threatens the generalisation of the findings. Practical implications: Practical advice is offered to HR managers wishing to be successful in Luxembourg. Originality: The research is about new social technologies and e-HR. It tries an answer to the question, why HR specialists in Luxembourg have been reluctant to utilise new social networking technologies, considering the special cultural pattern following Hofstede.

**Key words:** international entrepreneurship; digital HRM; digital social networking; cross-cultural management; Hofstede’s cultural dimensions; Luxembourg

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### 1. Introduction

The purpose of this study is to investigate who really wants *digital* HRM. This study explains the impact of social networking technologies on human resources practices in Luxembourg while analyzing the cultural pattern of Luxembourg. Digital social networks like LinkedIn, Viadeo, Xing, Facebook and Twitter have revolutionized human resources practices. This research investigates the extent of the use of digital social networking technologies in Luxembourg, considering its cultural pattern. The Grand Duchy of Luxembourg and its specific place in Europe are detailed. The research will be undertaken within the specific political, economic and historical context of Luxembourg. Hofstede’s dimensions of culture are discussed: “Individualism/Collectivism”, “Power Distance”, “Masculinity/Femininity”, “Uncertainty Avoidance”, “Long-Term Orientation/Short-Term Orientation”, “Indulgence versus Restraint” and “Monumentalism”. The hypothesis is discussed that this reluctance to use

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digital social networking technologies is founded in Luxembourg's high score on "Uncertainty Avoidance". Also the fact, that Luxembourgish language is used as an identifier in the Grand Duchy, might represent a brake to the extent of use of new social networking technologies. Human Resources Practices have a historical background and have developed throughout the years. While standard HRM was for a long time exclusively about HR administration, it is nowadays still about HR administration but also about recruiting and staffing best practices, talent management, and more and more about communication, new social technologies and e-HR. The research question is: Why have human resources specialists in Luxembourg been reluctant to utilize new social networking technologies, considering its special cultural pattern following Hofstede? Interviews, questionnaires and case studies are performed in 31 companies in Luxembourg. Results are presented. Conclusion, references and appendices follow.

## 2. Economic, Geographical, Political and Social Context in Luxembourg

Luxembourg is a parliamentary democracy with a constitutional monarch at its head. Along with Belgium, Germany, France, Italy and the Netherlands, the Grand Duchy was one of the signatories of the Treaty of Rome in 1957. The ensuing creation of the EEC (European Economic Community) and EURATOM (European Atomic Energy Community) formed the nucleus of the later EU. On 18 April 1951 it was a founding member of the CECA (Communauté Européenne du Charbon et de l'Acier, or in English, European Coal and Steel Community), the Paris treaty, together with the Federal Republic of Germany, France, Italy, the Netherlands and Belgium. In Luxembourg, European cultures meet on a small piece of land that hosts people with high level of tolerance. The European Commission has its seat in Brussels and Luxembourg. On May 1st, 2004, ten new countries joined the European Union, including seven former Eastern Bloc countries. On January 1st, 2007 two more such countries joined, establishing the current membership at 27 countries.

The Grand Duchy of Luxembourg's motto is: "Mir wëllebleiwewatmirsinn", which in English means "We want to remain what we are". The capital of Luxembourg carries the same name as the monarchy. Official languages are German, French, and Luxembourgish. The Government is a Parliamentary Democracy and a Constitutional Monarchy. The Grand Duke's name is Henri; the Prime Minister is Jean-Claude Juncker. The population is growing fast, as in 2001 it was approximately 439,500, in 2011 it was approximately 512,400 and in 2014 it was approximately 549,700 (Statec, 2014). It is the world's only remaining Grand Duchy. It has the second highest Gross Domestic Product per capita (\$84,829; IMF 2011) in the world. It is a founding member of ECSC (European Coal and Steel Community), European Union, NATO, OECD; it has been part of the euro zone since 1999. This shows its high interest in European integration. The small army often is the subject for a laugh: it consists of around 800 soldiers. There is no navy and no air force. Luxembourg is the host to 17 NATO AWACS airplanes, one A400M military cargo plane that are shared with Belgium, and 3 NATO Boeing 707.

Luxembourg is one of the smallest European countries, it measures 2,586 km<sup>2</sup>, 82 km long and 57 km wide at its longest and widest points. Until the 1960 the steel industry was the engine of Luxembourg's economy; after 1960, the banking and financial sector took over. The Luxembourgish language is a German dialect from the Mosel region, filled with French and Dutch words and expressions. Luxembourgish is one of the three national languages. In school, pupils speak and study in German, French, Luxembourgish, and may later study English, Portuguese and Italian.

Luxembourg's total population consists of 549,700 inhabitants of whom 300,800 (54.72%) are Luxembourgers



and 248,900 (45.28%) are foreigners (Statec, 2014). During the day time, 156,800 cross-border workers come to Luxembourg to work: 77,800 French, 39,500 Belgians, and 39,500 Germans. Domestic employment totals at 385,500 in 2013, out of them 228,700 were residents and 156,800 were cross-border workers. 40.67% of the domestic employment consists of cross-border workers (Statec, 2014).

The capital of Luxembourg had approximately 107,200 inhabitants in 2014, approximately 60% of whom were foreigners. During the day, this equation changes dramatically, as the work force is commuting into the town of Luxembourg from Germany, France and Belgium. The TGV link makes Luxembourg only two hours away from Paris. RTL (Radio Television Luxembourg) and SES ASTRA (Société Européenne des Satellites); European Skype, eBay and Amazon are headquartered in Luxembourg. Working in Luxembourg is described in detail by American Chamber of Commerce (2010).

There are 45,000 European civil servants, out of this number 9,500 are present in Luxembourg; this means 5.5% of the Luxembourg active population. 42.3% of the Luxembourgers are civil servants (IPSE, 2010). The European Institutions in Luxembourg are: Secretariat of the European Parliament, European Council (2nd), Court of Justice and Court of Auditors. There are also: European Investment Bank, European Investment Fund, European Union Publications Office, and Eurostat. The European Institutions are distributed following: Brussels hosts the Commission, Council of Ministers, European Council (1st), Parliament (2nd). Strasbourg hosts the Parliament, Luxembourg hosts the Parliament (secretary), Council (2nd), Court of Justice, Court of Auditors. Frankfurt hosts the European Central Bank, see more information on the website of the Office for Official Publications of the European Union <http://ec.europa.eu/publications>.

There is very little research in general about Luxembourg. The existing literature is mostly descriptive (Background Note Luxembourg, 2006; Dumont et al., 2008). The most recent publication, in French, on history and politics in Luxembourg has been written by Haag (2011) and includes excellent photographs underlining his detailed historical overview. One recent publication is from IPSE (2010), in German, but it does not relate in any way to Hofstede's dimensions, nor does Spizzo's book published in 1995.

### **2.1 Luxembourg's History**

Despite all the wars in Europe Luxembourg still survives. Despite all the requests from the European partners for fiscal homogeneity, despite the demands to abolish the borders and the ending of bank secrecy, and the exchange of information on bank accounts, Luxembourg still survives. Luxembourg is a small country, and it is strongly attached to the rock it is built on, like a medieval defensive city (Spizzo, 1995).

Luxembourg has always stayed politically "neutral". This "neutrality" has often been compared with Switzerland's neutrality. Luxembourg was able to stay neutral between its two mighty neighboring countries, France and Germany. Therefore the "privileges", namely, low direct and indirect taxes, low or non-existent income tax, work opportunities, low unemployment, high salary, cheap gasoline, cigarettes, alcohol, and more, are seen as a unifying identifier for the Luxembourgers. These privileges make the difference between the "in-group" and the "out-group" (Briley, 2005), between "being Luxembourger or not".

After World War I the need was to assure national identity, to make people understand why it was important to be "Luxembourgers", to give value to the concept of "citizenship", and being a "Luxembourg citizen". Only when Nazism engulfed this small country, because to the Germans this small piece of land seemed to be German, did the linguistic aspect attain its importance.

History shapes the character of a nation. Haag (2011, p. 529) states that, Luxembourg developed from a provincial town to a European capital, an international financial center, and a worldwide freight center. In 2008 the

Clausen zone was created for entertainment, in 2005 the Philharmonic Orchestra was inaugurated, the MUDAM in 2006 and the Congress Centre in 2012 (Haag, 2011, p. 539). The 2010 Mercier report puts Luxembourg in 20th position among 221 towns for its quality of life (Haag, 2011, p. 541). Prominent European personalities, such as Robert Schumann, Jean-Claude Juncker, and Jacques Santer, are from Luxembourg (Haag, 2011). RTL—Radio Television Luxembourg, SES Astra—Société Européenne des Satellites, and EIB—European Investment Bank—are important companies from Luxembourg (Haag, 2011, pp. 479-493). Luxembourgers are trilingual, sometimes quadri-lingual or quinti-lingual, or command even more languages, as described in the following.

## 2.2 Culture and Language

The relationship between “culture and language” has been studied by Kashima and Kashima (1998), testing the use of first- and second-person singular pronouns (“I” and “you”) in correlation with Individualism, and by doing so correlating language and culture. The relationship between “cultural background”, “language”, “geographic region” and “ethnic identity” was researched by Taylora et al. (1973). Lewis (2006) specializes in research on “language programming” in relation to cross cultural leadership. Sherzer (2009) investigates the relationship between grammar and culture, where language conditions thought, perception and world view. Bi-culturalists ability of frame switching through language has been researched by Briley et al. (2005) and Hong et al. (2000). Language has been identified as a manipulator of consumers’ behavior (Briley et al., 2005; Hong et al., 2000).

As argued earlier, Luxembourg with its special Luxembourgish language as well as other official languages, and its unique demand for the command of Luxembourgish as a condition for citizenship, provides an appropriate background for testing the role of language as an identifier of culture. Luxembourg's language is described next, followed by the relevant hypotheses.

### 2.2.1 Luxembourgish Language

Today, 320,000 people are Luxembourgish native speakers. The Luxembourgish language (Spizzo, 1995) has become the discriminating factor to distinguish between those who are able to benefit from Luxembourgish citizenship and those who are not. Luxembourgish possesses the characteristics of a dialect, proven by the fact that there is no translation of the Bible into Luxembourgish. Luxembourgish is a spoken language and does not have a long written tradition (Spizzo, 1995). The language defines the in-group (Briley, 2005) and the out-group. Those who speak Luxembourgish are part of the in-group and those who do not speak the language are part of the out-group. Official documents are in French or in German. Mostly, French is used for bureaucratic issues, and German is used for the religious ceremonies. This dialect has become the discriminating element for citizenship. In order to benefit from all of the advantages of the Luxembourgish nationality one has to be able to speak Luxembourgish. Citizenship is only awarded to people who speak Luxembourgish (Spizzo, 1995). The language, therefore, provides access to the advantages and rights associated with citizenship.

Luxembourgish authorities are an example of long-term orientation; they were able to adapt and react to some of the crises in the steelmaking industry and in the banking system, always with the objective of guaranteeing stability and wealth for the people. It seems as if there was an invisible line of stability and wealth that was guaranteed throughout the centuries. Typical words for the national identity are wealth, privileges, and stability through the maintenance of the attractiveness of the country compared to neighboring countries, because of its industry, its labor market, and its fiscal benefits, all key for the success of the country. Being part of this system and the feeling it gives is the glue of the country, the sense of being part of it (Spizzo, 1995).

Following the description of Luxembourg and its culture, it is argued that Luxembourg's dimensions of



culture are not proxies for the average values found by Hofstede in France and Germany, but rather are unique and a result of Luxembourg's language, which is also the official country language since 1984.

#### 2.2.2 Human Resource Management

Human Resources Practices have a historical background and have developed throughout the years (Armstrong, 2009; Bratton & Gold, 1999) and with the changing world of work (Kraut, & Korman, 1999). Twenty years ago, Human Resources Policies were mostly related to Administration (Mahoney & Deckop, 1986): salary, vacation, absence, work hours, headcount and accounting. In many companies, the accounting department was part of the Human Resources Department. Following this administrative trend, arrived a movement focused on motivation (Kuvaas & Dysvik, 2009). Human Resources became centered on motivation of employees, recruiting, training, evaluation, and recognition. More recently Human Resources (Gilley & Maycunich, 2000) is driven by communication (English et al., 2007; Bada & Madon, 2006), international HR (McLean & McLean, 2001), recruiting in the globalized HR world (Sparrow, 2007) and networking (Tixier, 2004; Slagter, 2009).

Standard HRM is about recruiting and staffing best practices (Ryan et al., 2003), talent management (Tansley et al., 2007), HR administration (Mahoney & Deckop, 1986), communication (Curtis et al., 1989), ERP (Lengnick-Hall & Lengnick-Hall, 2006) and e-HR (Lengnick-Hall & Lengnick-Hall, 2005; Lengnick-Hall et al., 2009).

Martin and Reddington (2010) are developing a model of e-human resources, focusing on the relationship between HR strategy, e-HR goals and architectures and positive and negative e-HR outcomes in their publication "Theorizing the links between e-HR and strategic HRM: a model, case illustration and reflections". Following Scandula and Williams (2000) it's about "Research methodology in management, and about current practices, trends, and implications for future research". Collins and Clark (2003) make the link between strategic HRM practices and social networks to deduct as a result the increase of performance. Marchington (2008) sees the following topics as main HRM topics: absenteeism, job satisfaction and relational co-ordination, global HRM, job and role design, recruitment, appraisal, the HR business partner model, and the role of HR in international mergers and acquisitions. Kuvaas and Dysvik (2009) write about "Perceived investment in employee development, intrinsic motivation and work performance". Scullion et al. (2007) published "International human resource management in the 21st century: emerging themes and contemporary debates". Tixier (2004) asks "Does the evolution of the human resources practices imply the implementation of an information system?" Slagter (2009) sees "HR practices as predictors for knowledge sharing and innovative behavior: a focus on age".

#### 2.2.3 Social Networking Technologies

Following Boese (2009), Cross, Parker, & Sasson (2003), Cross, & Thomas (2009), Fernandez et al. (2000), HRM standard practices and e-HRM (Martin & Reddington, 2010), digital social networks like LinkedIn, Facebook (Kirkpatrick, 2010) and Twitter have revolutionized human resources practices. Google has changed the way we see our world (Auletta, 2009) and changes our habits (Jarvis, 2009), and the internet does modify our brain (Carr, 2010). Some even wish to make the internet stop (Zittrain, 2009). Due to the social technologies, we have to reconsider how we can live and win in a transformed world (Li & Bernoff, 2008), and how we interact in times of Facebook (Stengel, 2010), where the new digital generation grows up with naturally, contrary to the generations before them (Tapscott, 2009).

Historically, Barnes (1954) was the founder of the definition of social networks and his research dates back to 1954. This study was followed by works from Rees (1966) on information networks in labor markets, and by Milgram (1967), who tested the "small world". De Schweinetz (1932) was the forerunner of economists and

sociologists who distinguished between the formal and the informal methods used to find a job. Granovetter (1973, 1985, 1995) studied the informal methods of finding a job, discovering the “forces of the weak ties”.

In more recent literature, Dodds et al. (2003) conduct an experimental study of search in global social networks. Fernandez et al. (2000) study the networks at a phone center. Godin (2008) studies people’s behavior in “tribes”.

Sammartino McPherson (2009) describes Tim Berners-Lee (2000) who imagined a world wide web, encouraging social interactions, giving people without huge technical competences and knowledge the possibility to publish online content, free of charge, unlimited in space and time and the opportunity to interact with others.

The research paper from Hasgall and Shoham (2007) is “Digital social network and the complex organizational systems”, where social networks in organizations are viewed as a shared knowledge system backed by management.

An interesting article is to be found from Jones (2010) about how to use Twitter, Facebook and LinkedIn in recruitment. Boese (2009) writes about standard HRM practices and social network analysis.

In the view of Shirky (2009, 2010) people go through different stages of “Gin, Television and Social Surplus”. Firstly, they meet in pubs for a drink and later they spent their free time watching TV. Next, they reach the phase where they like to share and communicate, to produce and not only to consume.

Following Tapscott (2009) the reluctance for the use of new technologies lies within the generation gap. He describes the “Net-Generation” as learners who are rethinking talent and management, and who are in networks and in families.

*Hypothesis: HR specialists in Luxembourg are reluctant to utilize new social networking technologies due to their specific cultural identity. As a result, the practical techniques used related to recruiting, integration, evolution, training, talent management and the evaluation of employees remain largely unchanged.*

What causes this reluctance? Specific cultural facts, differences in nationalities, or age, or gender or other facts (Fisher & Howell, 2004; Reddington et al., 2010)? What has been the extent of the use of new social networking technologies in Luxembourg? Why have human resources specialists in Luxembourg been reluctant to utilize new social networking technologies? How do they do HRM? How to make them use the new technologies?

My work engages in debates resulting from my review of HRM practices in general, based on relevant literature, e-HRM (Lengnick-Hall & Moritz, 2003) and theory in comparison to the practices currently in use. My work will show that Luxembourg is different from other markets, confirming Greenwald and Kahn’s (2005) “All Strategy is Local”. Luxembourg has a specific work environment that is not in-line with the theories of the globalized world (IPSE, 2010; AmCham, 2010).

- Which standard HRM practices (Kuvaas & Dysvik, 2009; Marchington, 2008) in recruiting, evaluation, information gathering, training, and outplacement were typically used in the past by Luxembourg companies and are still used?
- When used, which social networking technologies do companies prefer and how does their use impact performance (Collins & Clark, 2003)? A look into the past and into the future of Networking in Luxembourg.
- Is the local use of these Social Networking Technologies affected by cultural specificities (McLean & Campbell, 2003; Scullion et al., 2007) or age (Tapscot, 2009)? What is the impact of the specific cultural identity and language (Jameson, 2007)?

#### 2.2.4 Dimensions of Culture

Geert Hofstede (1980), in his monumental research on culture at IBM, has instigated worldwide research efforts. Culture has been found to have dimensions, the question is not if, but how many. Hofstede initially came up with four dimensions—Individualism versus Collectivism, Uncertainty Avoidance, Power Distance, and



Masculinity versus Femininity. He later added a fifth dimension, Long-term versus Short-term Orientation (Bond & Hofstede, 1983), and has just added a sixth dimension—Indulgence versus Restraint (Hofstede, 2001) and together with Minkov (2011) is about to add a seventh dimension—Monumentalism.

Hofstede (1980) defines culture as the “collective programming of the mind which distinguishes the members of one human group from another”. Hofstede defines **Uncertainty avoidance (UAI)** as “the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations” (Hofstede, 2001). He defines **Individualism (IDV)** as “people looking after themselves and their immediate family only, versus people belonging to in-groups that look after them in exchange for loyalty” (Hofstede, 2001). The individualism/collectivism cultural dimension has been researched in detail by Triandis (1995) and Triandis and Gelfand (1998) dividing into four dimensions: vertical and horizontal individualism and vertical and horizontal collectivism. **Power Distance (PDI)** is defined as “the extent to which less powerful members of a society accept and expect that power is distributed unequally” (Hofstede, 2001). **Masculinity/Femininity (MAS)** is defined as: “the dominant values in a masculine society are achievement and success; the dominant values in a feminine society are caring for others and quality of life” (Hofstede, 2001). Hofstede (2001) defines **Long-Term Orientation (LTO)** as “the extent to which a society exhibits a pragmatic future-orientated perspective rather than a conventional historic or short-term point of view”. Hofstede defines **Indulgence versus Restraint (IVR)** as: “Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms” ([www.geerthofstede.nl](http://www.geerthofstede.nl)). Minkov defines **Monumentalism (MON)** versus Flexumility as: high pride, immutable identities, values, norms and beliefs (Minkov, 2011).

Today, Hofstede’s work is known, accepted, praised, replicated, and also criticized. Some significant culture studies have followed Hofstede. They include culture research projects such as the Chinese Value Survey by Bond et al. (2004), Cameron and Quinn (2011), De Mooij (2011), Gert Jan Hofstede et al. (2002), the GLOBE by House et al. (2004), the European Value Survey and the World Value Survey by Inglehart (2000, 2005, 2008, 2011), Minkov (2011), Schein (2009), Schwartz (1990), Smith (2002, 2006), Triandis (1982, 1995), Trompenaars and Hamden-Turner (1997). Researchers besides the Hofstede era are Scholz and Böhm (2008) who specialize into Human Resources and Lewis (2006) who specializes in language programming. Researchers beyond the Hofstede’s era, such as Nakata (2009), Briley (2009), and Hong (2000), have extended cultural research into psychology, anthropology, and philosophy.

In 2010, together with his son Gert Jan Hofstede and Michael Minkov, Hofstede published “*Cultures and Organizations, Software of the Mind, Third Edition*”. In this edition Hofstede et al. surprised with a sixth dimension of culture titled “indulgence versus restraint”, or “subjective well-being” or “happiness”, constructs. The influence of Minkov is not only felt by the addition of a seventh dimension of culture titled “Monumentalism”, but also by Hofstede’s advice not to invest further in data collection, but to rather use secondary data, as Minkov (2011) who analyzed Inglehart’s data from [www.worldvaluessurvey.org](http://www.worldvaluessurvey.org).

Geert Hofstede’s research has not only been subject to enthusiasm (Triandis, 1982), or to reviews (Smith, 2002; Smith, 2006) but also to criticism, contestation and controversy (McSweeney, 2002; Søndergaard, 1994). Hofstede states: “I made a paradigm shift in cross-cultural studies, and as Kuhn (1970) has shown, paradigm shifts in any science meet with strong initial resistance” (Hofstede, 2002). The discussion exchange between Hofstede and McSweeney is regarded as closed by Hofstede. Hofstede also had an exchange with Hampden-Turner and Trompenaars (1997) about the validity of their filled-in questionnaires. The debate between Hofstede and the

GLOBE led Smith to write his 2006 article about the famous elephants. The five main criticisms of Hofstede's approach have been enumerated by Hofstede (2002) himself: "(1) Surveys are not a suitable way of measuring cultural differences; (2) Nations are not the best units for studying cultures; (3) A study of the subsidiaries of one company cannot provide information about entire national cultures; (4) The IBM data are old and therefore obsolete; and (5) Four or five dimensions are not enough."

This study takes on the second challenge of Hofstede's criticism, namely, that national boundaries are not the best unit of analysis of studying culture, and uses the example of Luxembourg to demonstrate that language is a better identifier of culture rather than geographical boundaries of nations. It compares data collected in three subsidiaries of one company in Germany, France and Luxembourg, to demonstrate that Luxembourg's dimensions of culture are not proxies for the average values found by Hofstede in France and Germany, but rather are unique and a result of Luxembourgish, which, along with French and German, is one of the official languages of the Grand Duchy.

### 3. Methods

#### 3.1 Respondents

- Collecting primary data via Participant Observation, following Saunders et al. (2009), Strauss and Corbin (2008), Taylor and Bogdan (1998), Wilson (2010): participation at seminars, conferences, meetings, dinners, breakfasts, networking events, organized typically in hotels and/or banks.
- Collecting primary data via Face-to-Face Interviews with big companies in Luxembourg (Statec, 2014).
- Collecting primary data via different questionnaires, in paper or online.
- Case study with two companies.

#### 3.2 Instruments

- My questionnaire has been used in paper and online to enquire about HRM practices and the impact of digital social networks on these HRM practices in Luxembourg and Hofstede's (2001) original questionnaire has been used to measure his cultural dimensions. The questions concerning HRM practices are: (1) "What means is your company using in recruiting?" (2) "Which digital social networks does your company use?" (3) "During the recruitment process, how does your company gather information about a candidate?" (4) "After the recruitment process, how does your company gather information about its employees?" (5) "What are the advantages of digital social networks?" (6) "What are the disadvantages of digital social networks?" (7) "Did the use of digital social networks change the role of the human resource specialists in Luxembourg? If yes, how? If not, why not?" (8) "Do you see any risks, dangers while using digital social networks in the human resource practices of recruiting, evaluation, evolution, training...." (9) "Which internet pages are accessible in your company? (is Facebook accessible?" (10) "How is networking mainly done in Luxembourg?"
- Excel is used to come up with the graphs resulting from the above questions.
- Nationality does not always correspond to native language and therefore questionnaires were distributed in English, French and German.
- A pilot study was conducted to pre-test the questionnaire's face validity.
- As ethical concerns may emerge at all stages of the research (Elms et al., 2010), precautions have been taken to ensure confidentiality. Questionnaires have been anonymous. Equity in treatment regardless of gender, race or nationality was always guaranteed (Robertson, 2008).

#### 4. Results

Human Resource Managers in Luxembourg are reluctant to use digital social networks, due to their cultural identity. Human Resources practices have a historical and cultural background and has developed throughout the years. The recruitment sector has been revolutionized by Facebook, LinkedIn, Xing, Twitter and Blogger, but not so in Luxembourg. This is given by the high score in “Uncertainty Avoidance” following Hofstede.

The means used in recruiting are mainly advertisement in newspapers (25) and spontaneous applications (23). Digital social networks (8) are far the less used mean in recruiting, see Figure 1.

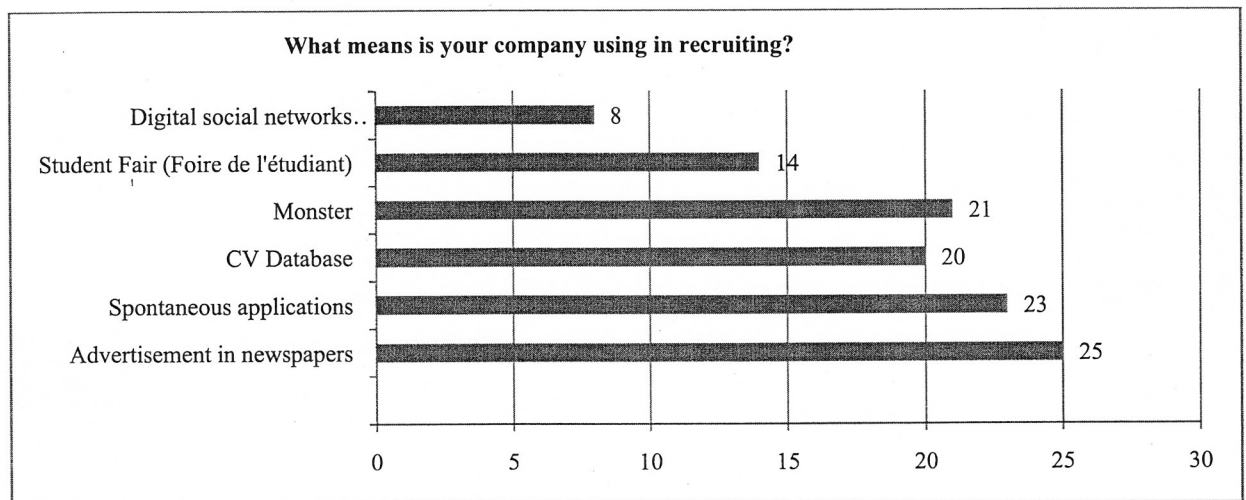


Figure 1 What Means Is Your Company Using in Recruitment?

When companies use digital social networks, they mainly use LinkedIn (20), followed by Facebook (12), Newsletter (10), and Xing (9), see Figure 2.

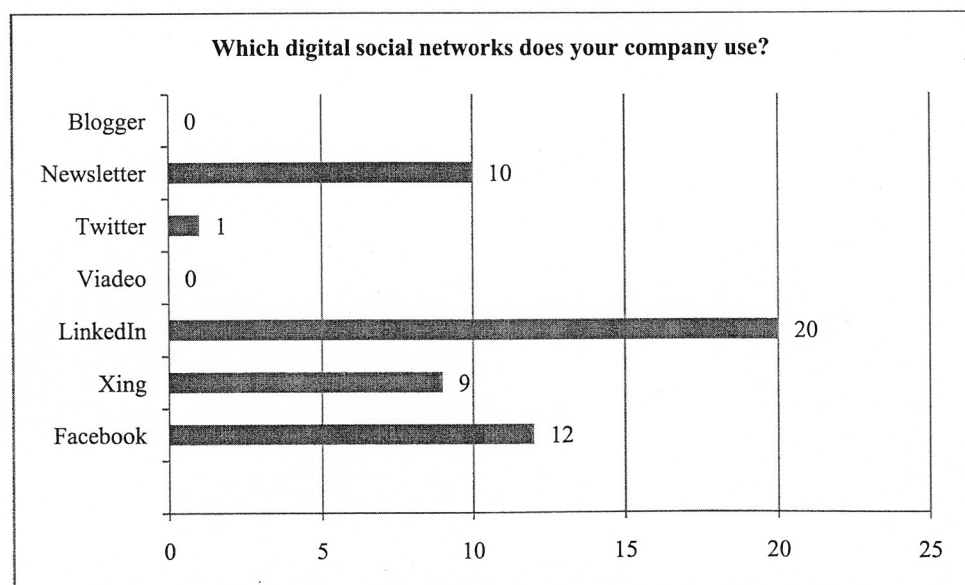
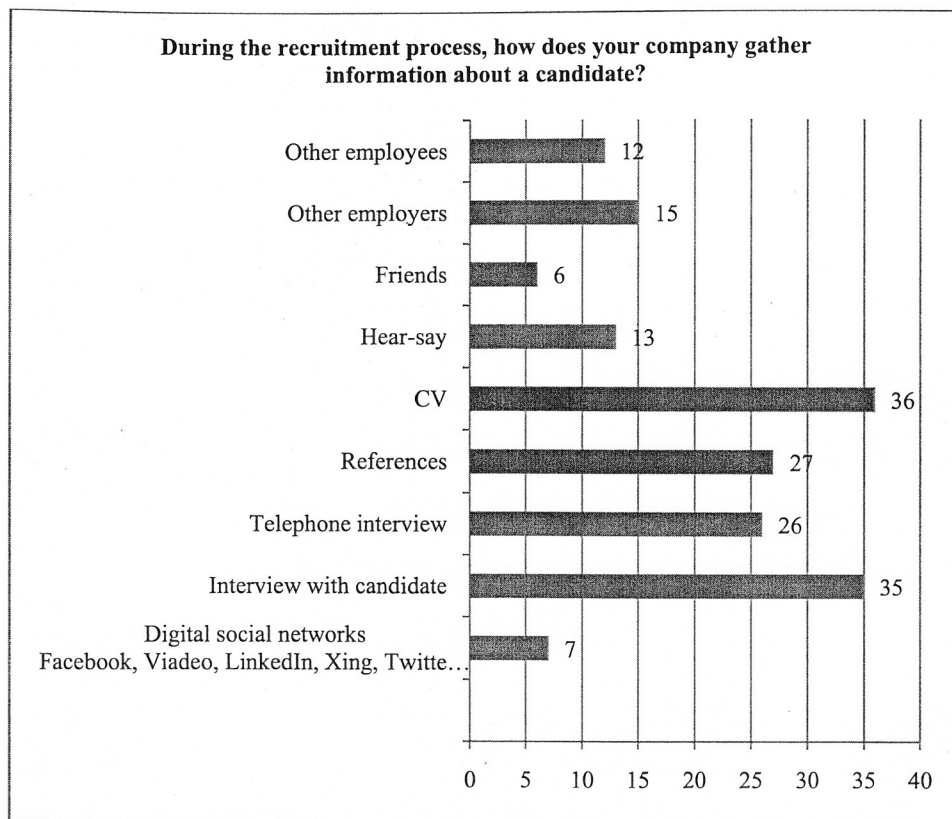


Figure 2 Which Digital Social Networks Does Your Company Use?

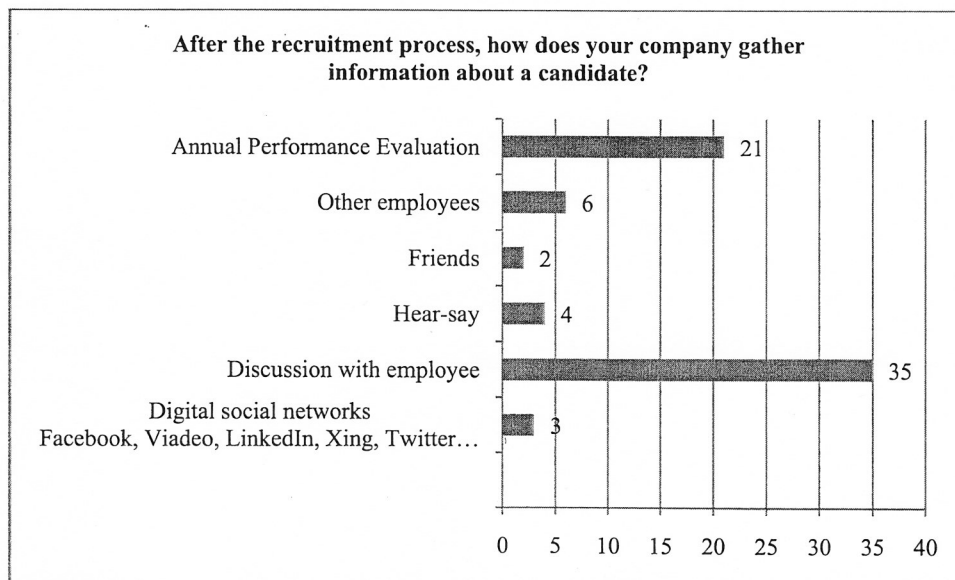
During the recruitment process companies gather information about the candidate using mainly the CV (36) and the Interview with the candidate (35). Friends (6) and digital social networks (7) are the least used means, see Figure 3.





**Figure 3 During The Recruitment Process, How Does Your Company Gather Information about A Candidate?**

After the recruitment process, companies gather information about an employee mainly through discussion with the employee (35) and the annual performance evaluation (21). Friends (2) and digital social networks (3) are the least used means, see Figure 4.



**Figure 4 After the Recruitment Process, How Does Your Company Gather Information about A Candidate?**

Which internet pages are accessible in a company are shown in Figure 5. This shows that most companies have restricted their internet access (21), compared to unlimited access (20).

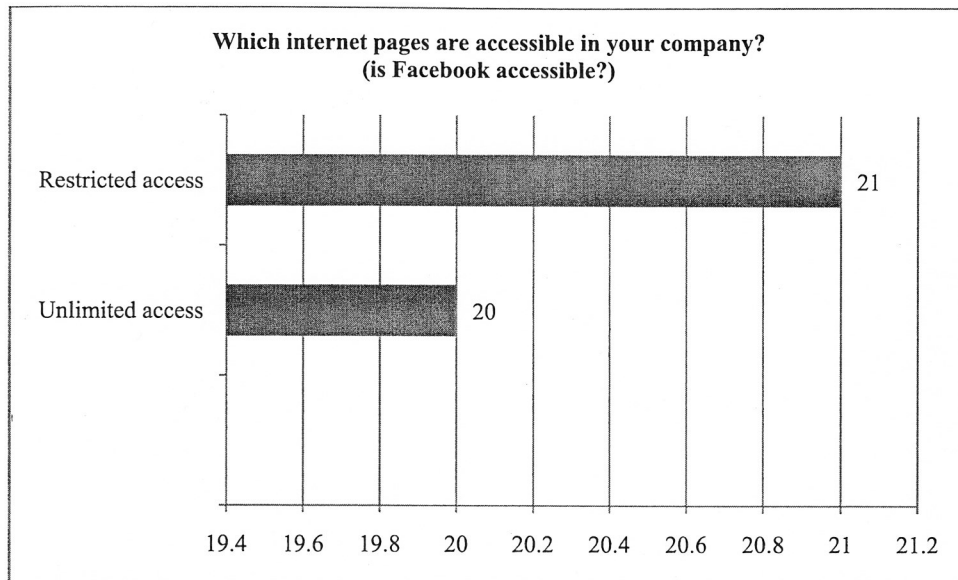


Figure 5 Which Internet Pages Are Accessible in Your Company? (Is Facebook Accessible?)

How networking is mainly done in Luxembourg is shown in Figure 6. This shows that most networking is done through private contacts, (37), followed by meetings, events, seminars (33), clubs and associations (25) and leisure (19).

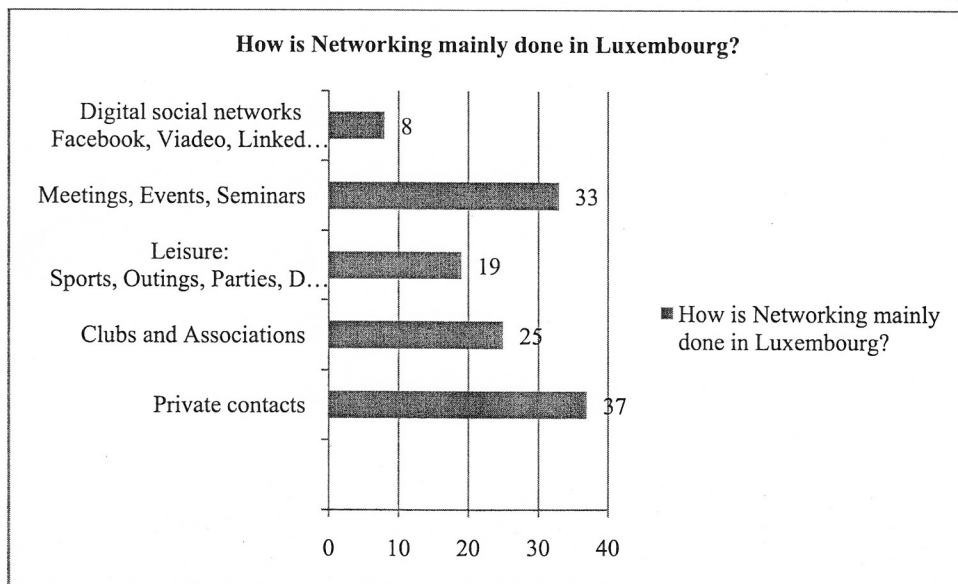


Figure 6 How is Networking Mainly Done in Luxembourg?

**What are the advantages of Digital Social Networks? This question was answered as follows:**

- Growing its network, connecting to former colleagues or friends where you lost contact
- Increases network, spreads brand awareness, no cost
- (Re) connecting to people; discover other social network forms. Contacting people without facing or calling them. Timeless networking (anytime in day and night)
- It can help to find someone who can answer you a specific question. Especially LinkedIn is very useful there
- The world just got smaller!

## Who Wants Digital HRM? The Example of Luxembourg

- Easy to use and to find information you need
- Quickly found information
- It gives you a first impression to be confirmed or not
- I have 2 daughters: 24 and 22 years old who are on Facebook, with the style of live of the students' live, Erasmus contacts, their way of keeping contact in the entire world, with students they didn't see for some months. To find back friends that one wishes to find back. To exchange information.
- Faster creation of a network, widening of one's network
- Broad database, normally quite actual information
- Big space of information, fast work, easy communication
- Accessibility, information available quicker
- Being able to reach fast a number of people whom I couldn't contact by any other means. Our site: "Your future at Deloitte": We find them at their homes, they don't need to move. The number of people! The different profile of the people, their diversity, the entire world, the world is getting very small.
- A lot of information is available. Fast.
- Contact passive candidates.
- Contact candidates out of location.

**In your opinion, what are the disadvantages of Digital Social Networks? This question was answered as follows:**

- None
- Low quality
- If you allow too many details to be shown to public users there might be a lack in privacy
- People may lie about their experience, job title...
- Lack of personal touch
- Very little usage potential for finding the right staff. People tend to exaggerate their skills and don't talk about deficiencies. Endorsements might help a bit, but when you look at them they don't seem to be more than a friendly turn.
- It's not always easy to control if information found is trustfully
- No confidentiality
- No control on distribution of information
- Private info, not always accurate
- The content is not trustful
- It is an advantage and a disadvantage: fast communication, a lot of information
- The contact has to be private, personal. I don't want to make public what is private. It's the illusion of transparency. In the world of the companies, one has to be transparent, that means invisible. Therefore one doesn't say the truth anymore.
- To share too much information with everyone. The 1st degree of this kind of network.
- Not confidential enough, sometimes too transparent
- If not used properly, may lead to abuse. Private data access. Information posted may not be 100% accurate
- One can create a profile that isn't true. One can create an identity without being it. As recruiter one tries to get known. You have to control the posts, not to allow dialogues politically not correct. One has to manage this every day.
- I am not really up to date to reply to this question.
- Information is not as complete as a CV.

**Do you see any risks, dangers while using Digital Social Networks? This question was answered as follows:**

- Lowering of Quality
- No-Which ones?
- We talk about the professional environment, right? Then I don't see many risks. The situation is different of course for tools like Facebook etc., where people show pictures that the world shouldn't see and that are impossible to delete.
- The main risk is that it is so easy to use/make contact that there is a temptation to leave "face-to-face"-contact by side.
- See disadvantages
- Preservation of private life
- Of course, there are risks associated by using DSN but it doesn't influence the recruitment process
- Yes, it cannot be your only resource.
- This mix of private life—professional life. Facebook has a non-stop memory. You cannot delete the memory of Facebook. Even if I have nothing to hide, I don't want to show it to everyone.
- The limits of the network: "ok, we are linked, yes, and what now?" The weak border between the private and the professional.
- Reliability of information, respect of personal data, standard demand driven streamlining of data, over-simplification of search = interesting profiles not taken into account
- Risks in confidentiality. Risks of copies. Risks of discretion.



- Yes: reputation. Information is spread fast, without control. Not to be deleted: it is on the net, it will stay there forever.
- Privacy. Not suitable photos.
- Approach people not matching our requirements/criteria.
- No, very helpful tool, especially for HR people

This closes the chapter on data analysis. The next paragraph is the discussion and implications' chapter.

## 5. Discussion and Implications

The purpose of this study was to explain the cultural and language characteristics of Luxembourg that may influence the tendency of human resources specialists in Luxembourg to be reluctant to utilize new social networking technologies such as LinkedIn, Viadeo, Xing, Facebook and Twitter.

The study is the result of the link between literature on standard HRM practices, e-HRM (Martin & Reddington, 2010) and practice in Luxembourg business life (IPSE, 2010; AmCham, 2010).

It provides an answer for HRM specialists to the question: "How to be successful in multicultural, international Luxembourg?" Cultural identity, intercultural communication, language and international business are discussed by Jameson (2007). How to do business with social networks in international trade (Rauch, 2001)?

The aim is to analyze Luxembourg and its way of business while continuing to evolve with changing technologies. The main question is: Who wants *digital* HRM? The questions discussed go deep into the analysis of everyday business life, cultural identity, language and international trade in Luxembourg (Horner, 2009; Kingsley, 2009; Davis, 2009). One must genuinely accept and understand the meaning of "Mir wëllebleiwewatmirsinn". If one does not make an effort to integrate into Luxembourg's specific business culture, success in Luxembourg may never be possible (Background Notes, 2006; Neefs & Laures, 2010).

This research on "who wants *digital* HRM" could be used by HR practitioners, recruiters, head-hunters and HR directors in Luxembourg who would like to consider evolving technologies and their potential use in Luxembourg's business environment with its cultural identity (Jameson, 2007) in international trade (Rauch, 2001).

HR Managers will be made aware of the dangers of digital social networks and may potentially reflect on if and how to implement them into their current HRM Practices (Guler & Guillen, 2010). On the other hand, the question is asked: do we really want *digital* HRM? While internet security is in the core of the discussion by evoking the dangers of digital technologies, the traditional ways of HRM, forgotten for a while, regain their importance.

Future research could focus on dangers of *digital* HRM practices, confidentiality, data security and protection of our private life alongside with rising *digital* criminality. Traditional HRM practices have proven their quality over the years. Maybe HR practitioners were too fast in adopting new digital technologies?

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