HRM Practices & Organizational Culture Have Positive Impact : A Study of Few Selected Organisations

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Abstract

HR has an important role of play in Organisational Culture, as it is the people who work for the organization, who embrace and develop a particular culture within the organization, any desired changes to the culture of the organization has been made through the people and by the people. HR provides the organization with effective means of facilitating an organizational culture. The present study focuses on the positive significant relationship between HRM practices and organizational culture in few private sector organizations. There is a positive significant relationship between HRM practices and variables of organizational culture operationalised in terms of self-realization, status enhancement, inventive values and social economic support.

Keywords: Human Resource Management; Organizational culture , self realization

Introduction

HRM has emerged and evolved as one of the most important areas of organizational science and practice. It has not been developed in isolation, but rather in the context of industrial change and economic development. The uniqueness of the Human Resources (HR) approach require a totally different type of attention from managers. The HR has characteristics that provide the greatest challenge as well as the opportunity.

The patterns of work relationships at work reflect the HRM philosophy. Culture and climate are integral parts of an organization. Organizational culture refers to a system of shared meanings

held by members that distinguishes one organization from other organizations. Organizational culture provides employees with a clear understanding of the way things are done in that organization.

The concept of culture is seen as a kind of bridge between the individual and the organization. Cutter performs a number of functions within an organization. It creates a distinction between one organization and another, it conveys a sense of identity for role incumbents, it facilitates the generation of commitment, and it enhances social system stability. Finally, culture sells as a sense-making and control mechanism that guides and shapes the attitudes and behavior of employees. Usually HRM practices are viewed in terms of planning, recruitment, selection, training and development, performance evaluation, career management and rewards.

Organizational culture is viewed in terms of self-realization, status enhancement, inventive values and socio-economic support. Self-realization consists of values such as achievement, ability utilization, advancement, aesthetics, personal development, and peace of mind. Status enhancement, one of the variables of organizational culture, consists of values of altruism, authority, physical activity, and prestige. Inventive values, another variable of organizational culture, consists of values of autonomy, creativity, lifestyles, risk-taking, and variety.

Objectives of the study

1.   To study and examine the relationships between various aspects of HRM   practices   and organizational culture.

2.   To find whether there is any difference in the organizational cultures of the organizations under study.

Hypothesis :

H_O : HRM practices will be positively significantly related to organizational culture.

Research Methodology :

The methodology employed a sample of 100 respondents from four private sector organizations. The questionnaire consists of 30 questions, of which

(a) 19 items concern HRM practices of the organization, and

(b) 11 items concern organization culture.

The correlation analysis has been used to infer the relationship between the variablesof

HRM practices and organizational culture. Managers of the Organisations were taken as a sample. Convenience sampling was used for data collection. The sample was obtained from all the management levels, but most of the respondents were from middle-level management, with an assumption that they would possess an accurate and comprehensive perception of HRM practices being employed. The sample included all departments such as production, marketing, finance, HRM, etc. The sole purpose of this sampling was to get an honest picture of HRM practices of the organization; out of 170 questionnaires distributed, 100 computed questionnaires were used for the final analysis.

Findings :

The findings of the study to measure differences among the variables of HRM practices and organizational culture in private sector organizations are as follows:

1. The four private sector organizations showed that the perceived meaningof organization A was higher for all HRM practices.

2. The comparison of the dimension of organizational culture in the four private sector organizations showed that employees of organization A perceived the socio-economic support more than those in other organisations.

3. It is evident that organization A showed relatively better perception of planning, recruitment processes, selection, performance evaluation and career management aspects of HRM practices in comparison to other organizations.

4. There is no significant difference between organizations in training and development and rewards as per the response of the respondents.

5. Planning, recruitment, selection, training and development, performance evaluation, career management and rewards are significantly correlated with all the dimensions of organizational culture.

Table 1 : Correlations between HRM practices and the dimensions of organizational culture

Variables	Self-realization	Status Enhancement	Inventive Values	Socio-Economic Support
Planning	.40	.23	.44	.17

Recruitment	.45	.38	.54	.20
Selection	.56	.57	.44	.44
Performance Evaluation	.52	.30	.47	.26
Training & Development	.50	.33	.52	.31
Career Management	.62	.48	.51	.45
Rewards	.62	.57	.63	.26

Number of cases: 100; 1-tailed significance *-- .01 **--- .001

Analysis

In the present study it was found that there exists a positive correlation between HRM practices and organizational culture . HRM practices (namely planning, recruitment, selection, training and development, performance evaluation, career management, and rewards) & organizational culture (self-realization, status enhancement, inventive values and socio-economic support) were significantly positive. The study of culture indicated that individual values play an important role in determining how well an individual fits into the organizational context .

Managers across organizations in the private sector strongly endorsed self-realization (one of the variables of culture), which was significantly correlated to almost all HRM practices. Realization or anticipation of the realization of the values has resulted in better performance. Self-realization encourages people to satisfy their achievement needs in the work situation .

Status enhancement was strongly related to HR practices in private sector organizations. The values loaded on this factor are authority, altruism, prestige and physical activities. The desire for authority, altruism, prestige and physical activity has a positive impact on the performance of managers. Managers developed a positive attitude towards their work and contributed significantly to self-realization and status enhancement, which were the most valued factors .

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Recruitment, selection, and performance evaluation, training and development, career management, and rewards turned out to be strongly correlated to status enhancement . Selection based on planning along with proper recruitment leads to status enhancement. Rewards were strongly related to status enhancement. Performance evaluation was strongly related to status enhancement. Performance evaluation served as a key input for administering formal organizational rewards, career growth and a tool of punishment challenging assignments, promotions and salary increases, etc., which give encouragement that provide status enhancement for managers .

Socio-economic support consists of social relationships and interaction, comforts, dependency, good working conditions and economic gains. Managers were indifferent and did not care much for social interactions and relationships.HR practices were significantly related to socio-economic support in the private sector. Through planning , recruitment and selection practices, newcomers with stronger systems of support report fewer adverse psychological outcomes related to job performance than do those with less support.

The study also found a relationship between career management and socio-economic support. People working in the organizations look for career management that will give them the girth of experience that seems to be needed now, and start looking down on the in-depth expertise of the command-centered manager.

So, a shift in culture happens, not because people have changed, but because their beliefs about what they have to do to get ahead have changed.

Rewards were strongly related to all the variables of culture in private sector organizations. There is hardly any difference between the two organizations when it comes to practicing rewards and training and development. People within the organizations are either rewarded or trained for acting in accordance with the dominant values of the organizations.

Conclusions

The present paper shows a significant, positive and meaningful relationship between HRM practices and organizational culture. HRM practices become the means whereby organizational culture is created and sustained. Designing new culture requires that HRM professionals are ahead of the cultural change curve with innovative and exciting HRM practices. HRM has been proposed by others to be a potentially powerful lever for shaping and changing the

culture of an organization to make the organization more effective. The adoption of various HRM practices is contingent on the specific requirements of each organization .

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