Relationships between organisational culture and human resource management

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Abstract

The objective of this article is to present connections between organisational culture and human resource management (HRM), taking into account differences resulting from the existence of numerous typologies of such cultures. The article focuses on a wide range of organisational culture's impact on diversified organisational variables remaining under the influence of adopted HRM solutions. Within the area of strategic HRM, the article deals with relationships between a type of organisational culture and a type of a personnel strategy effective in a given organisation. Examples of types of cultures supporting particular HRM strategies are provided. On the other hand, within the area of operational HRM, the authors pay attention to relationships between a type of organisational culture and practices adopted by an organisation within the scope of particular personnel functions. They show that the perspectives of both the strategic and operational approaches to human resource management can constitute a basis for analysing their connections with organisational culture. The article includes examples of the discussed relationships with respect to the motivational function carried out in organisations. The adopted objective has been achieved by means of an analysis and critical review of the literature on the subject as well as a logical analysis and structure.

Paper type: review article

Keywords: organisational culture, typologies of organisational cultures, human resource management, personnel policy, personnel strategies

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Introduction

The results of various researches show the influence of organisational culture on numerous variables, including individual commitment and personal efficiency (Gupta, 2011, p. 223), job satisfaction, task execution, innovativeness, new product development or organisational effectiveness (Szczepańska & Kosiorek, 2015, p. 44). In combination with human resource management practices, organisational culture influences employees' attitudes and behaviours, which translates into an organisation's operating results (Katou, 2012, p. 147). This allows one to make a few observations. Firstly, results achieved by employees are connected with their motivation. Its superior level characteristic for homogeneous and strong organisational cultures (Szczepańska & Kosiorek, 2015, p. 44) allows the achievement of better results. Secondly, organisational effectiveness is connected, among other things, with labour costs, which are influenced by both an organisation's remuneration system and its employees' level of competence. Thirdly, organisational culture is a source and foundation for work methods and behaviours, and thus it constitutes a factor supporting the managing personnel in the pursuit of an organisation's goals. The manner in which an organisation uses its human capital depends partly on its organisational culture. On the other hand, human resource management practices can exert impact on organisational culture. Thus it becomes the subject of considerations within the context of its connections with human resource management.

The objective of this paper is to indicate the key relationships between organisational culture and human resource management. The fulfilment of this objective has been based on an analysis and critical review of the literature on the subject as well as a logical analysis and structure.

1. A definition of organisational culture

In scientific research, organisational culture is perceived deterministically, remaining in relationships with such variables as a mission, a strategy, an organisation's structure and size, the management's activities, or functions within an organisation. What results from this is a diversity of definitions of organisational culture. The conducted analysis of various definitions allows one to ascertain that their common feature is the identification of such attitudes and reactions of participants that differentiate organisations from one another. The elements of organisational culture that are the most frequently mentioned in its definitions include assumptions, values, standards, convictions, rules and principles shared by an organisation's employees. Assumptions concern the organisation's environment, reality and the perception of truth, human nature, the nature of human action, and interpersonal relations. Values are "objects, states of affairs and situations which employ-

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ees cherish and try to achieve through their participation in the organisation (…). Values give rise to standards which determine what should be pursued and what should be avoided, and how this should be done. They show what should be regarded as important, what is (…) a priority. Standards shape attitudes which, in turn, cause employee's particular behaviours" (Gadomska-Lila, 2011, p. 56). Convictions are judgements or opinions based on one's belief in the truth or rightness of occurring phenomena or states of affairs (*Słownik języka polskiego/The Polish Language Dictionary*, n.d. a). For the members of an organisation, they are guidelines allowing them to choose and assess what they should do in order to achieve intended results. Rules, in turn, are specific instructions on how to behave or act, established or adopted on the basis of a procedure, a custom or a habit (*Merriam-Webster*, n.d. a). Principles are laws governing particular processes or phenomena, or a manner of conduct in given circumstances established under some regulation (*Słownik języka polskiego/The Polish Language Dictionary*, n.d. b). They can be also understood as moral rules or an outlook on life helping employees to get to know what is right and what is wrong, thus exerting influence on their actions (*Merriam-Webster*, n.d. b). In the practice of management, organisational culture is understood as a set of the superior values of the managing personnel, such as the clarity of strategy/shared goals, systematic decision-making, integration/communication, innovation/risk-taking, accountability, action orientation, fairness of rewards, and development & promotion from within (Santos, Hayward, & Ramos, 2012, p. 26).

Summing up, it can be said that the basis for determining connections between organisational culture and human resource management is the adoption of its definition according to which it constitutes a model of values and learnt methods of dealing with experiences which have developed during the history of a given organisation and which tend to manifest themselves in people's behaviours (Sun, 2009, p. 137).

2. The notion of human resource management

There are many approaches to the personnel function identified with personnel management in terms of people management. It is described within the context of managing an organisation's social potential, labour resources, human potential, or human resources. It is the consequence of the evolution of views on the personnel function, where "more and more frequently emphasis is placed on the strategic significance of all employees" (Listwan, 2010, p. 15), as well as "the functioning of the science of organisation and management on the borders of many disciplines" (Antczak, 2009, p. 24) and thus the perspectives for its presentation (sociology, psychology, management). Human resource management "comprises the whole range (the spheres of both theory and practice) of activities related to people, aimed at the

achievement of an organisation's goals and the fulfilment of its members' needs" (Antczak, 2009, p. 23). In this context, "the objective of the personnel function (...) is to ensure a proper number of employees with proper qualifications at proper positions (...). The key tasks of the personnel function are as follows: the selection of employees and the monitoring and modification of their behaviours through the appraisal of the current level of their competences and motivation as well as the shaping of their competences through training and development activities, and their motivation through a reward system" (Pilch, 2006, pp. 627–628).

Strategic human resource management

Strategic human resource management comprises "a coherent configuration of activities including the determination of long-term objectives, the formulation of principles, plans, and programmes oriented towards the creation and utilisation of an organisation's human capital" (Pocztowski, 2003, p. 60). The performance of the personnel function is connected with a personnel strategy being:

- "a unique model according to which personnel-related decisions are made (...),
- a long-term concept concerning labour resources, aimed at their proper shaping and commitment (...),
- long-term objectives and manners of their achievements in the area of personnel management" (Listwan, 2010, p. 63).

The development of a personnel strategy should be based on a number of assumptions among which the most significant ones are as follows (Rostkowski, 2005, p. 22): treating employees as an important element of an organisation's assets, emphasising the impact of the environment on the practices related to employee recruitment, focusing on long-term and pro-active activities anticipating future threats, taking into account the contribution of all employees towards the performance of an organisation's tasks, and stressing the importance of development and continuous change. The formulation of a personnel strategy depends on the previous provision of answers to the fundamental questions concerning the goals of the personnel function which comprise the issues related to the following (Listwan, 2010, p. 67): the current characterisation of employee resources, their condition at a particular moment in the future, the shaping of the personnel in terms of its size, features and qualification structures as well as adopted solutions and activities which need to be undertaken in order to achieve employees' commitment, i.e. readiness to carry out tasks entrusted to them. What results from this is the demand that a personnel strategy be formulated "on the basis of a continual analysis of an organisation and its general objectives, inclusive of changes occurring within them" (Rostkowski, 2005, p. 32). The justification for this demand is also the result of the close connection between an organisation's personnel strategy and its general strategy; the former should not so much result from the latter, but they should be

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co-developed simultaneously (Rostkowski, 2005, p. 25). Thanks to the identification of mutual relationships between the personnel strategy and the general strategy already at the stage of preparation, it becomes possible to acquire a proper level of their integration at the stage of implementation. It implies practically the mutual permeation of both types of strategy, which reduces the treatment of the personnel strategy as only a derivative of the general strategy (reactive relationships) because it is employees that constitute an organisation's key resource determining the directions of its activities (pro-active relationships) (*Leksykon zarządzania/The Lexicon of Management*, 2004, pp. 536–537). The literature on this subject presents various classifications of personnel strategies. We can distinguish among them offensive strategies characteristic for businesses which grow dynamically, employ creative and innovative people who are ready to take risks, as well as defensive strategies in which "recruitment and promotion are based on employees within an organisation" (Listwan, 2010, p. 62), as loyalty and job seniority are more important than efficiency. The further examples of classifications take into account the following types of strategies (Listwan, 2010, pp. 62–63): quantitative strategies (focusing on the manning of positions and the adjustment of personnel needs to the labour market), qualitative strategies (oriented towards motivational activities); strategies oriented towards an entry (based on activities aiming at the acquisition of the required number of employees with required qualifications), towards a transfer (focusing on individual improvement and development) or towards an exit (concerning the manner of terminating employment relationships and reducing the number of employees). A personnel strategy should be oriented towards ensuring the provision of human resources meeting an organisation's expectations with respect to both competence characterisations and effective cultural standards and values shared by an organisation's members, such standards and values being required of both current and future employees. On the one hand, this demand is connected with the perception of the personnel's potential as the source of competitive advantages; on the other hand, with the claim that "values are one of the main sources of criteria for the appraisal of employees' usefulness for work in a concrete organisation" and because of this they have "enormous influence on not only the shape of a personnel strategy, but also the method of its implementation and the shape of developed tools" (Rostkowski, 2005, p. 31). Therefore, personnel strategies should be oriented towards the improvement of the quality of an organisation's existing personnel, which is frequently treated as an element of an enterprise's assets and its basic capital (Rostkowski, 2005, p. 22). This can be achieved through training, inspiration, and creating conditions for self-development, an effective motivational system, including employees in decision making processes, allowing them to present their own opinions, or effective communication within an organisation (Vanhala & Ahteela, 2011, p. 872). It should be added that the quality of the personnel strategy is the "degree of achievement of the objectives pursued by the personnel function" (Szczepańska, 2014, p. 115). A personnel policy constitutes a concrete embodiment

of a personnel strategy and is understood as "a systematised set of assumptions (...), a group of goals, principles and measures resulting from a personnel strategy which are to be used in its execution thanks to relevant instructions with respect to operational people management in an organisation" (Król, 2006, p. 71). This makes it possible for the managing personnel to shape relationships and influence employees' behaviours with a view to achieving the organisation's goals. Classification of the personnel policy models includes: "the development of human capital, the acquisition of human capital, creating alliances and contracting human capital" (Szczepańska, 2014, p. 116). The implementation of a personnel policy is based on principles which can be distinguished at the general and detailed levels. At the general level, they comprise (Król, 2006, p. 75) non-partisan, objectivity, law and order, comprehensiveness, rationality, planning, humanism, the uniformity of conduct, the transparency of criteria and modes of conduct, the clarity and matter-of-factness of criteria, the permanence of basic assumptions, the continuity of improvement. On the other hand, the principles established at the detailed level concern "the particular elements of human resource management or even particular tools" (Król, 2006, p. 77). The examples of detailed principles related to an employee selection policy include providing candidates and employees with equal opportunities, or recruiting candidates for managerial positions from outside the current employees. With respect to a motivational policy, the examples of detailed principles include rewarding employees according to their achievements or minimising the fixed part of a salary. Personal policy principles are connected with the principles resulting from the definition of organisational culture. The fact that they are generally accepted and, consequently, complied with determines a set of rewarded behaviours and also defines a set of behaviours that are undesirable or punishable. The principles of human resource management and the accompanying practices result in part from the Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, the international legislation (the International Labour Organisation, the European Union Parliament) or the national law (e.g. the Labour Code). They are also included in formalised codes of ethics effective in organisations. The principles included in the aforementioned sources and taken into consideration in the provisions of a personnel policy require integration at the level of organisational culture.

Operational human resource management

Besides the strategic approach, human resource management can be analysed also at the operational level. Its scope is presented differently by different authors, but it is generally accepted that it comprises the following elements: the planning of demand for employees, employee resourcing, i.e. selection and recruitment, the hiring process together with introduction to job positions, appraisal and occupational development, remuneration, motivation, and termination. The planning of demand

for personnel consists in determining the number and characterisation of employees in terms of their qualifications as well as the moment at which the organisation will need them to be able to pursue its strategic goals. Hence the knowledge of the organisation's future personnel needs together with changes to the current level of employment as well as work efficiency and labour costs is of key importance. The resourcing of employees is based on the processes of recruitment and selection. Through its (informative, motivational, and pre-selective) functions, recruitment aims to acquire the sufficient number of candidates for the purposes of the selection process. Recruitment can be carried out in various forms, e.g. internal recruitment (searching for employees within an organisation) or external recruitment (searching for candidates outside an organisation), narrow recruitment (addressed to a particular group of candidates) or broad recruitment (aimed at the acquisition of a large number of candidates), open recruitment (available for every candidate meeting the qualification criteria) or closed recruitment (limiting the availability of an offer to a selected group of specialists) (*Leksykon zarządzania*/*The Lexicon of Management*, 2004, p. 488). Selection, in turn, is an assessment of candidates' usability and their adjustment to a particular position. It comprises the following activities: an analysis of application documents, an interview and a preliminary diagnosis of a candidate's qualifications, a proper interview, the acceptance of a candidate, the submission of an employment offer, and hiring (McKenna & Beech, 1999, p. 7). Hiring is the process of meeting all formal, including legal, conditions for employment. Such conditions include relevant medical examinations, the execution of a written employment agreement, and the candidate's provision of documents required by the organisation. The introduction of the new employee to their position concludes the hiring process. It consists in providing the employee with information necessary for their smooth adaptation to the new situation as well as the effective and efficient performance of work. Employee appraisal and development constitute an investment in people which is spread over time. Apart from a multi-faceted approach to the employee's results, another objective of the appraisal process is to motivate the employee to improve their performance and to determine perspectives for their development. Employee development consists in identifying the thematic scopes and types of training activities allowing the employee to update and broaden their knowledge as well as to develop their skills in order to improve the operational effectiveness, achieve set objectives, and shape required attitudes and behaviours. Remuneration and motivation are areas concerning issues related to employees' acquiring both wage and non-wage benefits. Remuneration can appear in cash or non-cash forms. Its aim is the broadly understood motivation of employees, which is an organisation's conscious and deliberate exertion of influence on its employees' motives for their actions. Employee motivation in the form of a motivational system is one of the key determinants shaping employees' efficiency. It is a set of tools such as positive or negative stimuli and tangible or intangible motivation factors (Czermiński, Czerska, Nogalski, Rutka, & Apano-

wicz, 2002, p. 351). Termination consists in the adjustment of the level of employment occurring when the quality or quantity of the personnel is incorrect in terms of time, space or cost. The objective of this process is to improve an organisation's operational effectiveness with respect to both its entirety and particular parts. An employment reduction plan comprises all transfers, resignations, fluctuations, horizontal or vertical promotions, and dismissals.

3. The types of organisational cultures and human resource management

Organisational cultures are divided according to numerous criteria, which results in a large number of their typologies. The typologies which are the most frequently presented in the literature on this subject are based on the adoption of a single criterion based on one variable (the result is two alternative types of cultures, e.g. strong or weak, feminine or masculine, elitist or egalitarian) or the adoption of a dichotomous division constituting a basis for a multidimensional model whose result is a whole set of pairs of alternative cultures (e.g. in Gesteland's typology, it is possible to distinguish the following types of cultures: partnership, protransactional, ceremonial, non-ceremonial, monochronic, polichronic, expressive, and self-restraining) (Listwan, 2010, pp. 55–57). The division of the types of organisational cultures based on a bipolar matrix with two variables and resulting in four culture types is very popular in the literature on the subject. A good example is the typology based on the opposite values of the two dimensions: individualism – collectivism and outer-containment – inner-containment. In consequence, it is possible to distinguish four types of organisational cultures oriented towards the following: power (this type is characterised by domination over the environment, competitiveness, uncompromising nature, high power distance, strong rivalry), roles (it is characterised by bureaucracy, privileges closely related to held positions, stability of actions, compliance with regulations), tasks (it is characteristic for organisations which are flexible and react quickly to changes in the environment), and people (it is based on low power distance, consensual decision making, cooperation, mutual support, and experience sharing). Another example of a division of cultures based on the opposite values of the following dimensions: flexibility and freedom of action – stability and control as well as orientation towards internal matters and integration – orientation towards the position in the environment and diversity, is the typology resulting in the distinction of the cultures of the following: market (what is important in it is the achievement of goals and the execution of tasks; the role of the management is to achieve the required results), hierarchy (it is characterised by a high degree in the formalisation of the forms of communication and cooperation, a strong hierarchic character of positions, an undisturbed course of processes in ac-

cordance with procedures), adhocracy (it encourages innovativeness and creativity; freedom and initiative are valued highly), and clan (the basis for its assumptions is common values and goals; it pursues the development of team work and stronger commitment). It has been shown that the result of the numerous taxonomies of organisational cultures is their types. Their particular characteristic features remain in a close relationship with strategic human resource management. For example, quantitative personnel strategies will be supported by a power culture or a market culture. On the other hand, qualitative strategies will favour cultures oriented towards people or clan. A role-oriented culture or a hierarchy culture will support defensive personnel strategies, in contrast to a task culture or an adhocracy culture which will be more suited to offensive strategies. The aforementioned relationships do not exhaust the possibilities of conducting further analyses of the connections between various types of organisational culture and personnel strategies. It is also possible to show organisational culture's connections with operational human resource management. The impact of cultural values will manifest itself in all practices of operational human resource management, including recruitment, selection, hiring, motivation, development, appraisal, and termination activities. For example, in an organisation where a role culture or a hierarchy culture dominates, emphasis will be placed on a routine and repeatable performance of tasks, which will be reflected in the rewarding of this type of behaviours and motivational activities aimed at the elimination of innovative behaviours requiring flexibility. On the other hand, in organisations dominated by a task culture or an adhocracy culture, people will be rewarded for actions based on high tolerance for uncertainty and acceptance of risk, requiring creativity, oriented towards searching for inventive tools, where the motivational system will encourage freedom in undertaken initiatives. Organisations characterised by a power culture or a market culture will encourage their employees to participate in competition and rivalry, in contrast to organisations favouring a people-oriented or a clan-oriented culture. Such organisations will reward behaviours promoting cooperation, knowledge sharing, and collective decision making. It should be stressed that both strategic and operational human resource management not only remain under the influence of organisational culture but also, through followed practices, exert impact on employees' attitudes and behaviours. It means that the management's deliberate shaping of solutions in the area of human resource management constitutes a mechanism supporting the management's efforts aimed at the shaping of required cultural models.

Conclusions

The reasons for the consideration of the relationships between organizational culture and HRM results from the fact, that none of the models HRM (e.g. Harvard, Michigan, Schuller's) does not refer to aspects (elements) of organizational culture. The exception is the Toyota model (model of the human system), which takes into account the value of e.g. respect for the employees. Furthermore the culture of a given organisation can strengthen or weaken the implementation of the adopted personnel strategy. Solutions and practices in the area of operational HRM supporting the implementation of a personnel strategy should, on the one hand, be based on the recognition of organisational culture's impact on employees, in particular on their attitudes and behaviours. It means that HRM instruments need to be adjusted to a particular cultural model (assumptions, standards, values) existing in an organisation. On the other hand, a particular shape of HRM instruments used at the operational level, starting from recruitment and selection through the subsequent personnel functions (appraisal, development, remuneration, motivation) to termination, should imply required changes in organisational culture with a view to its better adjustment to the HRM strategy currently under implementation.

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