

A Comprehensive Study of the Impact of Organizational Culture on HR Management Practices

Dr. Vinima Gambhir¹, Jaspreet Sidhu², Aravindan Munusamy Kalidhas³,
Saumya Goyal⁴, Dr. Bijal Shah⁵, Manish Nagpal⁶, Abhishek Upadhyay⁷

¹Associate Professor, Department of ISME, ATLAS SkillTech University, Mumbai, Maharashtra, India, Email Id- vinima.gambhir@atlasuniversity.edu.in

²Centre of Research Impact and Outcome, Chitkara University, Rajpura- 140417, Punjab, India, jaspreet.sidhu.orp@chitkara.edu.in

³Associate Professor, Department of Mechanical Engineering, Faculty of Engineering and Technology, JAIN (Deemed-to-be University), Ramanagara District, Bangalore, Karnataka - 562112, India, Email Id- rk.aravindan@jainuniversity.ac.in

⁴Quantum University Research Center, Quantum University, India. saumyaqsb@quantumeducation.in

⁵Assistant Professor, Parul Institute of Management and Research-MBA, Parul University, Vadodara, Gujarat, India, Email Id: bijaben.shah@paruluniversity.ac.in

⁶Chitkara Centre for Research and Development, Chitkara University, Himachal Pradesh- 174103 India, manish.nagpalorp@chitkara.edu.in

⁷Assistant Professor, Department of Management, ARKA JAIN University, Jharkhand, India, Email Id: abhishek.upadhyay@arkajainuniversity.ac.in

Abstracts

Background: Recruitment, training and performance management are central processes in Human Resource Management (HRM) for organizational performance. Organizational Culture (OC) also determines these practices based on the nature of hiring, career development, and employee retention. It is essential to have a clear understanding of the relationship to gain the biggest benefits for HRM strategies and organizational results. **Aim:** Thus, the current research examines how OC affects HRM practices such as RP, TD, PM, EE, RR, and CR. It is desired to identify how OC influences HRM practices and offer recommendations that can help to improve the HRM practices. **Method:** A questionnaire survey was conducted among 250 respondents using a structured 5-point Likert scale. The survey was based on demographic characteristics and evaluated the OC influence on RP, TD, PM, EE, RR, and CR. The study employed the PLS-SEM technique and T-test with the CFA and psychometric tests to check for reliability. **Results:** A strong correlation between OC and human resource management practices was established. OC impacted the approach to attracting employees, selecting and developing training programs, assessing performer appraisals, motivating employees, deciding on retention strategies, and handling conflict. These observations show that OC has a strong impact on the range of HRM practices. **Conclusion:** It is important to understand that

organizational culture is an influential component that affects HRM practices. Positive OC affects the ability to attract, develop, manage, engage, retain, and resolve conflicts with employees. The PLS-SEM approach was useful in analysing these relationships and enhancing the HRM strategies with regards to organizational culture.

Keywords: Human Resource Management, Organizational Culture, HRM practices, Training and Development.

Introduction

Organizational culture (OC) possesses a considerable effect on the entire business and acts as the basis of employee behaviors, motivations, and human resource management practices. Culture as a complex and ever-evolving facet of organizational experience lies at the core of any business, defining the set of values that shape the way employees approach their work and one another [14]. The connection among OC and HRM practices is visible in aspects such as selection, development, appraisal, reward, and employee communication. Fig. 1 presents the connection among OC and HRM practices. For example, an organization's culture may support innovation and creativity in people practices, while another organization's culture may support rigid procedures and measures in a training program [18]. When HRM practices are integrated with the cultural standards of an organization, it helps in raising the degree of participation of the employees, better retention, and improved overall performance [15].

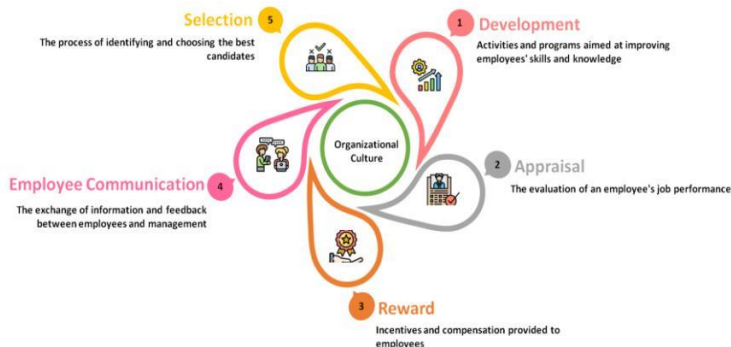


Fig 1 Organizational culture and HRM practices relationship

Also, organizational culture determines the way that HR professionals respond to employees' concerns and how they deal with conflict situations. Organizational culture may also influence such differences, as a culture of hierarchical decision-making could lead to higher levels of centralization in the field of HRM [4]. Organizational culture and HRM practices are important

factors in determining the employee experience and overall organizational performance. It is crucial to engage in research about how organizational culture works to impact HRM practices to enhance a favorable work culture and to accomplish strategic goals in organizations [16]. Relationship emphasizes the fact that HR professionals must understand the current culture while also playing a part in shaping culture over time for the purpose of enhancing its fit with organizational objectives [1]. Therefore, investigating the relationship provides useful information on how organizations can enhance the fit between their human resource strategies and cultural contexts for optimal performance and a healthy organizational climate [10].

The fundamental principle of this research is to analyze how OC influences HRM practices, including recruitment, training, performance management, engagement, retention, and conflict resolution, using PLS-SEM and T-tests.

The remaining components of the research are arranged as follows: Part 2 expands on the hypothesis and discusses the relevant research. The approach that includes data collection, question formulation, and statistical analysis, was covered in Part 3. The results are presented in Part 4, and the research is concluded in Part 5.

Literature review

The mediating function of KMC for OP and HRM practices, as well as the moderating influence of OL and the intermediary impact of KMC on the link between organizational performance and KMC were investigated in research [6]. The study's findings looked at the connection among HRM practices and learning in organizations, performance, culture, and knowledge management capabilities. The effectiveness of government institutions was examined in research [8] on the effects of HRM practices. It also determined the main impact-producing variables in human resource management. In general, the study produced the suggestions or tactics about the HRM procedures evaluated that have the possibility to improve or enhance the operational efficiency of government agencies. The effect of OC on workers' behavior, attitudes, and work routine in certain firms was examined in research [12]. In essence, the work cultures used as examples in the forex business have a considerable effect on the workers, despite the fact that their compositions exhibit a considerable degree of variation. The chosen sample size made it possible for the study to attain the data saturation point and for valid conclusions to be made with enough information. An article [2] established the correlation among community culture and concerts. The objective was to establish the impact of OC on performance, with focused concepts of managerial excellence as proposed by Robert Waterman and Thomas Peters, the Denison OC method, and Schein's organizational culture.

The impact of work satisfaction, OC adaptation, employee competences, and HR flexibility on employee performance was examined in the study [17]. The study was also looking at the indirect relationship between employee performance and HR flexibility through the interaction of OC adaptation and the connection among employee performance and competence using work fulfilment as a mediator variable. A framework known as the ICEF was established by research [11] to assist firms in adapting their present ethnicity to maintain the originality style that decide to explore. First, the current culture was assessed using OCAI. Subsequently, a modified version

of the CIS was employed to evaluate the types and degrees of innovation that were presently in existence. The framework calculated how much each cultural type contributed to the presence of each category of invention. In higher education institutions, research [13] explored the connection among FP and leadership styles and the moderating role of OC. OC operated as a moderator in the research's implementation of quantitative methods to determine faculty performance impacts of leaders' approaches. Organizational culture, information exchange, organizational creativity, and advantages in competition were all examined in the research [9]. Industrial managers provided information, and PLS-SEM was utilized to confirm and investigate the links that were predicted. Competitive advantage was favourably impacted by corporate culture, information exchange, and innovation, according to the results.

The influence of HRMP on enhancing EP was examined in research [5]. The study was completed by hypothesizing the influence of HRMP on EP, with the impact predicted to be mediated by work satisfaction. Employee involvement was evaluated due to its possible moderating influence within the proposed paradigm. The fundamental tactics for improving OS were examined in research [7]. According to the attribution model and strategic choice theory, the study classified the body of literature and found that GHRM was essential to both managerial sustainability and environmental management. The effect of people management strategies on managerial sustainability in real estate firms was examined in research [3]. The goal of the study was to contribute by evaluating talent management empirically. To gather information from real estate managers, a standardized questionnaire was provided.

I. Hypothesis development

H1- Organizational Culture and Recruitment Practices (OC - RP)

Organizational culture significantly influences recruitment practices, with organizations characterized by a constructive culture using more effective and inclusive recruitment strategies compared to those with passive/defensive or aggressive/defensive cultures.

H2 -Organizational Culture and Training-Development (OC - TD)

The effectiveness and scope of training and development programs are positively associated with a constructive organizational culture, compared to passive/defensive or aggressive/defensive cultures.

H3 -Organizational Culture and Performance Management (OC - PM)

Constructive culture organizations are most effective having developed and fair performance management system, hence providing strong and fairly accurate performance evaluations compared to organizations that have passive/defensive, or aggressive/defensive cultures.

H4 -Organizational Culture and Employee Engagement (OC - EE)

Employee engagement levels are higher in organizations with a constructive culture than in those with passive/defensive or aggressive/defensive cultures.

H5 -Organizational Culture and Retention Rates (OC - RR)

Organizations with a constructive organizational culture experience lower employee turnover rates and higher retention rates compared to those with passive/defensive or aggressive/defensive cultures.

H6 -Organizational Culture and Conflict Resolution (OC - CR)

The effectiveness of conflict resolution strategies is higher in organizations with a constructive culture compared to those with passive/defensive or aggressive/defensive cultures.

Analysis

I. Data acquisition

The dataset includes demographic details for 250 respondents, gender, including categories like male, female, and non-binary. Age groups (19-24 to 56+), education levels (Secondary School to Doctoral Degree), job levels (Entry-level to Senior Management), years of experience (0-1 years to 10+ years), and departmental affiliations (HR, Finance, Operations, Other). Table I presents these characteristics. Fig. 2 presents the job level and department of the respondents.

Table I Respondents demographics

Characteristic	Category	Percentage (%)
Gender		
Female	115	46.0
Male	120	48.0
Non-Binary	15	6.0
Age Group		
19-24	50	20.0
25-35	85	34.0
36-45	55	22.0
46-55	40	16.0
56 and above	20	8.0
Education Level		
Secondary School	30	12.0
Incomplete Undergraduate Studies	60	24.0
Undergraduate Degree	100	40.0
Graduate Degree	40	16.0
Doctoral Degree	20	8.0
Years of Experience		
0-1 years	80	32.0
2-4 years	70	28.0
5-9 years	60	24.0
10+ years	40	16.0

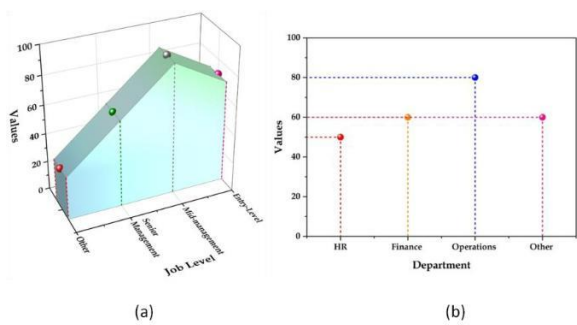


Fig 2 Participant’s demographics of(a) job level and (b) department

Fig. 3 presents the theoretical model, highlighting the relationship between OC as the independent variable and several key HRM practices as dependent variables. The framework suggests that Organizational Culture (OC) directly influences Recruitment Practices (RP), shaping how employees are attracted and selected; Training and Development (TD), affecting the effectiveness of skill enhancement programs; Performance Management (PM), impacting the methods used to evaluate and improve employee performance; Employee Engagement (EE), influencing the level of commitment and motivation among employees; Retention Rates (RR), determining the likelihood of employees remaining with the organization; and Conflict Resolution (CR), guiding the approaches used to manage and resolve workplace disputes.

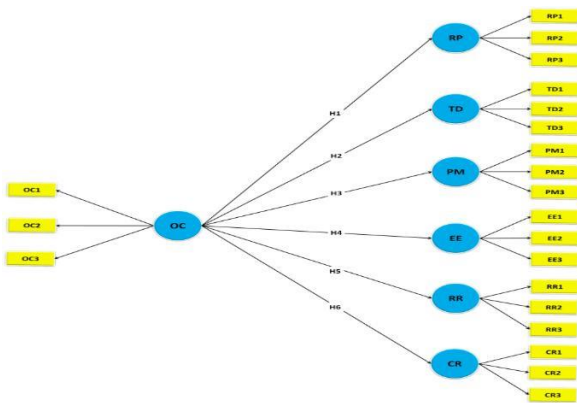


Fig 3. Theoretical model

II. Questionnaire Framework

Demographic Information: This section gathers background details such as age, gender, job title, department, and tenure in the organization.

Organizational Culture (OC): This section has two questions to assess the respondent's perception of the prevailing organizational culture.

Recruitment Practices (RP): The two questions are intended to assess the effect of OC on recruitment practice.

Training and Development (TD): This section consists of two questions that can help identify the effect of the OC on TD programs.

Performance Management (PM): The two questions in this part focus on the OC effect on the PM process.

Employee Engagement (EE): This section comprises two questions that seek to establish the effect of OC on the level of engagement of the employees.

Retention Rates (RR): This section contains two questions that can be used to gauge how organizational culture impacts employee retention and turnover ratios.

Conflict Resolution (CR): This section contains two questions to be used with the purpose of assessing whether, and how, conflict resolution and its outcomes depend on organizational culture.

The subjects of the study included 250 participants surveyed using a 5-point Likert scale to assess various aspects related to organizational culture. OC responses ranged from (1) never to (5) always for the impact on open communication, and (1) very low to (5) very high for support of teamwork. RP responses varied from (1) not at all to (5) extremely for the influence on recruiting methods, and (1) never to (5) always for impact on evaluation criteria. PM responses ranged from (1) not at all to (5) extremely for the influence on performance evaluations, and (1) never to (5) always for feedback mechanisms. TD responses were from (1) not at all to (5) extremely for the effect on training program design, and (1) never to (5) always for participation in development activities. EE responses ranged from (1) not at all to (5) extremely for motivation influence, and (1) never to (5) always for job satisfaction. RR responses varied from (1) not at all to (5) extremely for impact on staying decisions, and (1) never to (5) always for effects on turnover rates. CR responses ranged from (1) not at all to (5) extremely for impact on conflict handling, and (1) never to (5) always for effectiveness of resolution processes. Questionnaires are presented in Appendix A.

III. Statistical Evaluation

The research utilized the PLS-SEM approach, because of its versatility with data collection and sample size for the analysis of the proposed model. OC, RP, TD, PM, EE, RR, and CR were the constructs in the model that were evaluated using CFA. To add value and promote the reliability of the constructs, measurement model analysis was integrated with psychometric assessment. The PLS algorithm was performed on the path weighting scheme on standardized data since it

gives a higher accuracy path weighting. This approach can be more flexible and accurate in measuring the relations between organizational culture and HRM practices. The T-test was used to identify differences in the level of HRM practices as affected by organizational culture. This statistical method found out whether changes in HRM practices were significant or not. This analysis was useful in understanding how aspects of organisational culture might affect the selection of HRM practices, so that any shifts that were retrieved not accidental but rather represented significant variations. The findings of the T-test proved useful in establishing whether or not the concept of organizational culture contributes to the development of HRM practices.

Result

I. PLS-SEM assessment

For analyzing the effect of OC in predicting the different aspects of HRM practices, a measurement model test was conducted through PLS-SEM. The path coefficient and loading result is depicted in Fig. 4. Meanwhile, the interiordependability of measuring instrument was verified through Alpha Reliability (α) which ranged from 0.72 to 0.82 and also CR that ranged between 0.86 and 0.93. All questions exhibited factorial validity with standardized loading values greater than 0.70, and convergent validity was validated using AVE benchmarks significantly beyond the range from 0.65 to 0.76. Discriminant validity was ensured since the squaring bases of the AVE scores were larger when compared to inter-construct interactions. Path co-efficient (β) valuebetween organizational culture and various HR practices ranged from 0.48 to 0.62, indicating a substantial effect of OC on HRM practices. The results, detailed in Table II, underscore the authorityand stabilityof the system and support the significant relationships identified. Table III presents the result of discriminant validity.

Table II Reliability test result

Construct	Item	Loading	(α) value	CR value	AVE value	β value
OC	OC1	0.78	0.75	0.88	0.68	-
	OC2	0.82				
	OC3	0.75				
RP	RP1	0.80	0.78	0.90	0.72	0.55
	RP2	0.76				
	RP3	0.74				
TD	TD1	0.79	0.81	0.92	0.76	0.62
	TD2	0.83				
	TD3	0.77				
PM	PM1	0.74	0.80	0.91	0.74	0.60
	PM2	0.80				
	PM3	0.76				
EE	EE1	0.71	0.72	0.86	0.65	0.48
	EE2	0.74				
	EE3	0.69				
RR	RR1	0.76	0.74	0.87	0.70	0.54
	RR2	0.73				
	RR3	0.72				
CR	CR1	0.77				

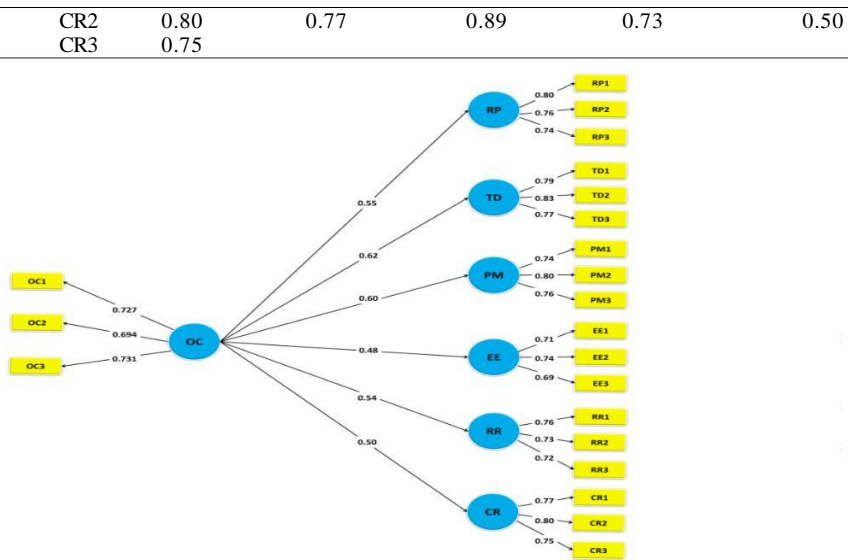


Fig 4 Result of Loading and PC values

Table III Discriminant validity result

Construct	OC	RP	TD	PM	EE	RR	CR
OC	0.82						
RP	0.52	0.85					
TD	0.50	0.54	0.80				
PM	0.55	0.57	0.53	0.79			
EE	0.48	0.51	0.49	0.52	0.77		
RR	0.53	0.58	0.54	0.55	0.50	0.72	
CR	0.49	0.55	0.51	0.53	0.48	0.56	0.75

II. T-test evaluation

The t-test analysis for the impact of organizational culture on various HR managing practices revealed significant differences between high and low organizational culture groups. The t-values ranged from 3.98 to 5.24, with all p-values being less than 0.01, indicating that the differences observed are statistically significant. Specifically, recruitment practices ($t = 5.24$, $p < 0.01$), training-development ($t = 4.89$, $p < 0.01$), and performance management ($t = 4.53$, $p < 0.01$) all showed significant positive effects associated with stronger organizational culture. Similarly, employee engagement ($t = 3.98$, $p < 0.01$), retention rates ($t = 4.15$, $p < 0.01$), and conflict resolution ($t = 4.02$, $p < 0.01$) also demonstrated significant differences, affirming that organizations with a stronger cultural framework tend to exhibit more favourable outcomes in

these HR practices. This comprehensive analysis underscores the significant role of OC in enhancing various aspects of HR management. Table IV presents the result of T-test analysis.

Table IV T-test result

HR Management Practice	t-Value	p-Value
RP	5.24	<0.01
TD	4.89	<0.01
PM	4.53	<0.01
EE	3.98	<0.01
RR	4.15	<0.01
CR	4.02	<0.01

Conclusion

This research confirms that organizational culture has a critical influence on determining the nature of HRM practices. Employing PLS-SEM and T-tests the study finds an impact of cultural dimensions on recruitment and selection, training & development, performance management, engagement, turnover rates, and conflict management. The evidence underscores that culture encouraging cooperation and diversity correlate with better HR practices and improved employees’ performance. In particular, these cultural values enhance performance management and employees’ engagement. The findings presented in this paper provide meaningful recommendations for HR practitioners and heads of organizations stressing the consequence of a community culture in line with principles of HRM. The synchronisation of managerial goals with such a strategy can improve organizational performance and overall staff morale leading to an enhanced work environment. This research is constrained by the fact that it solely relies on survey data, which may sometimes miss out on some procedural and contextual factors regarding the implementation of HRM practices. The cross-sectional design made it difficult to assess the changes over time, and the study wholly depended on the respondents’ report. Future research should consider overcoming these limitations by conducting the study over a longer period and adopting other research methods like interviews and case studies. The use of mixed methods might offer a more detailed insight into how the organizational culture impacts the implementation of HRM practices.

WORKS CITED

Ababneh, O. M. A. "The impact of organizational culture archetypes on quality performance and total quality management: The role of employee engagement and individual values." *International Journal of Quality & Reliability Management*, 38(6), 1387-1408, 2021. <https://doi.org/10.1108/IJQRM-05-2020-0178>

Akpa, V. O., Asikhia, O. U., &Nneji, N. E. "Organizational culture and organizational performance: A review of literature." *International Journal of Advances in Engineering and Management*, 3(1), 361-372, 2021. <https://doi.org/10.35629/5252-0301361372>

Al Aina, R., &Atan, T. "The impact of implementing talent management practices on sustainable organizational performance." *Sustainability*, 12(20), 8372, 2020. <https://doi.org/10.3390/su12208372>

Alqudah, I. H., Carballo-Penela, A., &Ruzo-Sanmartin, E. "High-performance human resource management practices and readiness for change: An integrative model including affective commitment, employees’

- performance, and the moderating role of hierarchy culture." *European Research on Management and Business Economics*, 28(1), 100177, 2022. <https://doi.org/10.1016/j.iemeen.2021.100177>
- Alsafadi, Y., & Altahat, S. "Human resource management practices and employee performance: The role of job satisfaction." *The Journal of Asian Finance, Economics and Business*, 8(1), 519-529, 2021. <https://doi.org/10.13106/jafeb.2021.vol8.no1.519>
- Alshammari, A. A. "The impact of human resource management practices, organizational learning, organizational culture and knowledge management capabilities on organizational performance in Saudi organizations: A conceptual framework." *Revista Argentina de Clínica Psicológica*, 29(4), 714, 2020. <https://doi.org/10.24205/03276716.2020.876>
- Amjad, F., Abbas, W., Zia-Ur-Rehman, M., Baig, S. A., Hashim, M., Khan, A., & Rehman, H. U. "Effect of green human resource management practices on organizational sustainability: The mediating role of environmental and employee performance." *Environmental Science and Pollution Research*, 28, 28191-28206, 2021. <https://doi.org/10.1007/s11356-020-11307-9>
- Anwar, G., & Abdullah, N. N. "The impact of human resource management practice on organizational performance." *International Journal of Engineering, Business and Management (IJEEM)*, 5, 2021. <https://dx.doi.org/10.22161/ijeem.5.1.4>
- Azeem, M., Ahmed, M., Haider, S., & Sajjad, M. "Expanding competitive advantage through organizational culture, knowledge sharing and organizational innovation." *Technology in Society*, 66, 101635, 2021. <https://doi.org/10.1016/j.techsoc.2021.101635>
- Baloch, Q. B., Maher, S., Iqbal, N., Shah, S. N., Sheeraz, M., Raheem, F., & Khan, K. I. "Role of organizational environment in sustained organizational economic performance." *Business Process Management Journal*, 28(1), 131-149, 2022. <https://doi.org/10.1108/BPMJ-02-2021-0084>
- Bendak, S., Shikhli, A. M., & Abdel-Razek, R. H. "How changing organizational culture can enhance innovation: Development of the innovative culture enhancement framework." *Cogent Business & Management*, 7(1), 1712125, 2020. <https://doi.org/10.1080/23311975.2020.1712125>
- Cherian, J., Gaikar, V., Paul, R., & Pech, R. "Corporate culture and its impact on employees' attitude, performance, productivity, and behavior: An investigative analysis from selected organizations of the United Arab Emirates (UAE)." *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1), 45, 2021. <https://doi.org/10.3390/joitmc7010045>
- Jamali, A., Bhutto, A., Khaskhely, M., & Sethar, W. "Impact of leadership styles on faculty performance: Moderating role of organizational culture in higher education." *Management Science Letters*, 12(1), 1-20, 2022. <http://dx.doi.org/10.5267/j.msl.2021.8.005>
- Paais, M., & Pattiruhu, J. R. "Effect of motivation, leadership, and organizational culture on satisfaction and employee performance." *The Journal of Asian Finance, Economics and Business*, 7(8), 577-588, 2020. <https://doi.org/10.13106/jafeb.2020.vol7.no8.577>
- Papa, A., Dezi, L., Gregori, G. L., Mueller, J., & Miglietta, N. "Improving innovation performance through knowledge acquisition: The moderating role of employee retention and human resource management practices." *Journal of Knowledge Management*, 24(3), 589-605, 2020. <https://doi.org/10.1108/JKM-09-2017-0391>
- Park, S., & Doo, M. Y. "The effect of organizational culture and HR practices on female managers' commitment and job satisfaction." *European Journal of Training and Development*, 44(2/3), 105-120, 2020. <https://doi.org/10.1108/EJTD-03-2019-0045>
- Sabuhari, R., Sudiro, A., Irawanto, D., & Rahayu, M. "The effects of human resource flexibility, employee competency, organizational culture adaptation and job satisfaction on employee performance." *Management Science Letters*, 10(8), 1775-1786, 2020. <http://dx.doi.org/10.5267/j.msl.2020.1.001>
- Senbeto, D. L., Hon, A. H., & Law, R. "Organizational cultures determine employee innovation in response to seasonality: Regulatory processes of openness and resistance." *Journal of Hospitality & Tourism Research*, 46(6), 1122-1146, 2022. <https://doi.org/10.1177/10963480211011629>