

HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND ORGANIZATIONAL CULTURE CHANGE



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Abstract. *The article discusses the role of HRM practices in organisational culture change. The research studies revealed that culture change is perceived anxious and ambiguous process. The role of HRM practices is to reinforce and consolidate the employee commitment during the uneasy time of change. Secondary research of case studies and academic articles have been conducted to explore the issues associated with organisational culture change and such practices as recruitment and selection, training and development, and performance management. One of the recommendations is to endure the collaboration of front-line managers and HR department to provide the consistency of application and alignment of new corporate values that are formulated within the organisational culture change. There is a recommendation that HRM policies have to be integrated into strategic business planning and applied to strengthen or change the organizational culture.*

Key words: *organisational culture change, HRM practices, recruitment, selection, training, development, performance management.*

Introduction

Organizational culture is embedded into employees' conduct, processes and control systems of a company functioning as a driving factor for performance improvement (Höpfl *et al.*, 1992). The impact of turbulent business environment and internal organisational factors may cause changes and need to create and sustain the culture that is able to meet corporate requirements or address misconceptions and loops. Organizational culture change represents a major concern for managers due to anticipated difficulties, anxieties and ambiguities brought up by the process. The accountability for the culture change planning and implementation is shuffled among top management team, HR and line managers, and employees. The role of human resource management in culture change is critically appraised over its ability to plan the process, identify core values, communicate the vision and design practices to generate and sustain the new culture.

Literature Review

Culture change disrupts and modifies the existing shared meaning in an organization to create new values, beliefs and norms of behavior where HRM strategies and practices represent a constructive force applying consistent cues approach in their activities (Brown, 1998). This approach is characterized by aligning the strategies and practices that unequivocally support desired outcomes in culture change. Besides, consistent adherence to new patterns of behaviors and values will cause other inappropriate dispositions to disappear. Hence, novel basic assumptions will be learnt and accommodated bringing up preference change from previous procedures to the newly designed ones (Bijlsma –Frankema, 2001).

Alas *et al.* (2012) believed that readiness to change is an important factor to be considered as a link between needs identification and the action plan implementation. In this process HR department needs to gain support from front line management as without it the change endeavors might be doomed to fail (Barratt-Pugh, *et al.* 2013). Although line managers are the experts in their field of work, working on its own, they found it enormously difficult to determine the precise targets in the area and link these targets with performance requirements of an organisation. The research findings indicated that employees’ individual goals had a weak link with the strategic objectives and the process is disorganized while being designed without help of HRM (Andreescu, 2003). Hence, the collaboration of front-line managers and HR department is vital to ensure the consistency of application and alignment of new corporate values that a particular department is planning to implement. These collegial efforts will contribute to monitoring of negative counter subcultures that may impede the change process by imposing adverse views on a targeted dominant culture.

While assessing the readiness to change human resource managers act as change agents and have to establish a sense of urgency for change, create the vision and communicate it to the employees. In the planning of culture change, it is vital to know what people feel about organization because the change management implies the principle of everyone going to the same direction. Internal communication must be reinforced to decrease information asymmetry, set the framework of communication and make the process transparent (Alas *et al.*, 2012). The study conducted by Barratt-Pugh *et al.* (2013) demonstrated that the culture change activated within an organization is conditioned by the “relational fabric where negotiation and involvement recruit staff and encourages change” (p760).

Johnson and Scholes' cultural web (Figure 1) could be prepared to recognize the prevalent cultural logic, enhancing cultural attributes, power structures and the counter forces to address in cultural transformation (Hames, 1991). The web can be employed to evaluate the attitudes, symbols, behaviors, control systems in the context of existing culture and desired culture mapping the route to transformation. The task of HR department is to make sure that the new culture will trigger more learning and development of unique and inimitable competencies and skills. It will help to ensure greater competitive advantage and contribution to the achievement of organizational goals (Doorewaard and Benschop, 2003).



Figure 1. Johnson and Scholes' cultural web

In this process HR managers need to understand that the culture change programs need to be articulated to employees. Unless employees do not accept the goals, there are low opportunities for development of the new ideas. Thus, change should be stimulated by awareness campaigns and facilitating activities across the company where HRM practices influence on staff learning and change in behaviors (Al-bahussin and El-garaihy, 2013). Employee survey can function as an integral tool in these campaigns to explore various issues of cultural change. Surveys can produce valuable information about the needs and problems although the instruments have to be appropriately designed and applied to produce valid and reliable data for the diagnostics, action plan, implementation of the culture change (Hartley, 2001).

Human resource activities determine the pathways in consistent cues application to be compatible with new culture. The HR activities such as recruitment and selection, performance management systems, training and development are essential change mechanisms being able to generate organizational settings that are relevant to change (Brown, 1998). Planning defines the main needs for human resources in organisations. While preparing for recruitment the right channels should be considered; for example, external sources of recruitment may bring more diverse workforce rather than internal recruitment if there is a need to build the culture that is more vibrant and open to innovative solutions. Furthermore, job descriptions with requirements in knowledge, skills and abilities have to reflect the desired principles of the planned changes. As per the selection stage, the compatibility of a candidate with a desired culture needs to be analysed. Performance management systems confirm that new goals of individuals and organisation are interconnected via appraisals and assessment procedures. Besides, reward strategies make sure that fair and equitable principles have been considered in remunerations and the expected behaviours are incentivised. Recognition and nonfinancial motivators could encourage positive attitudes so that employees could feel the desired culture is worthwhile to adapt. It is done to demonstrate that it is essential to change and fit with the overall objectives of the initiated changes (Edgley-Pyshorn and Huisman, 2011) Training programs have to be launched to acquire and develop competences and skills to support required behaviours necessary for leaders in creating networked or communal organisational culture (Andreescu, 2003). Appropriate application of these mechanisms to trigger and implement change reflects the critical importance of HR department in an organisation.

Methodology

Secondary research was conducted to explore the role of HRM practices in organisational culture change. Academic literature, case studies and articles have been reviewed as qualitative research sources to determine the HRM practices and its interrelationship with organisational culture change.

Analysis and Findings

The case studies produced some evidence about the role of HRM in culture change process. For examples, at Britain's national mapping agency unfreezing employees from the former culture required a set of communication activities developed by human resource managers. This was followed by the HRM systems modifications with new motivational and reward schemes. Training and development events were adapted to cultivate behaviors aligned

with the plan. Besides, performance management system has been modified sending a 'signal' to employees that the reward is granted for behaviors supporting the new organizational culture. However, the culture change tasks require multiple skills and competencies for HRM department; namely, business acumen, technical and functional skills. This adds to the repositioning role of HR managers and their roles to become strategic partners and change agents (Andreescu, 2003).

Another example discusses HR in the Department for Planning and Infrastructure (Australia) that initiated a project to identify staff perceptions and provide feedback about the culture change process. They were eager to explore the activities with "greatest utility" to foster the change process and build vibrant and flexible culture. Later the department communicated the vision across the organization and "collaboratively constructed a set of values for the new culture that were widely and continually distributed" (Barratt-Pugh *et al.*, p749). Although HR managed a set of programs in the change process, the line managers contributed to staff selection process and staff counselling in exiting procedures. The cooperation of the departments and HRM was emphasized to gain better results. The role of HR was also to support and develop line managers and these activities and it distinguished HRM as a more constructive force rather than a regulatory department. The HR focused "on building relational leadership capability and support local team activity thereby accelerating change relationship with leaders" (Barratt-Pugh *et al.*, p761). This strategic move was considered effective serving as one of good practices in change management demonstrating the relational network and power to make the culture change happen.

Developing relational linkages can occur if there is fair treatment and support for the employees of a company. In this regard, the attitude toward employees as change recipients should be considered. Horvers *et al.* (2015) mentioned that there are two groups in any change process: the change agents and change recipients. In the models of change (Lewin, Lundberg, Kotter, etc.) the role of leadership is emphasized and theorized; however, Kotter model demonstrates a pragmatic approach paying attention to employee empowerment and recognizing their active participation in the process. The term "change recipients" should be altered into a more meaningful representation to highlight the employee ownership in cultural change process where employees are becoming co-creators of culture leading to organizational commitment. HR managers' role in change process could be reinforced by contributing to this factor and creating conditions for committed workforce development.

However, there are continuous debates about the role of HRM in culture change due to alternative views where the implementation of HRM practices is perceived as "smoke screen" for increased management control, workforce reduction, and manipulation of employees (Brown, 1998). In the top-driven change, the interaction between HR and top management may be more facilitative with limited input in strategy development (Andreescu, 2003). Jorritsma and Wilderom (2012) noted that quantitative and qualitative data revealed that HR managers have not been engaged in the culture change process in the case study organizations; nevertheless, there is an indication that change is a significant issue for HRM as employees have to learn novel responsibilities and adapt to change. As acknowledged by Thompson (2011), HR department is often isolated in the strategy of the company. The tendency to outsource HR

function marginalizes the department in the cultural change of a company. On the other hand, conceptualization of HR as handmaiden (Storey cited in Caldwell, 2003) decreases the legitimacy of the department. Thomson (2003) indicated that even the notion of employee champion might undermine the relationships of HR managers and employees, as the trust has to be gained by ensuring the principles of transparency and fairness and recognizing employee interests while implementing the change.

Traditional view of personnel management focuses on issues of employment, administration and regulations highlighting “hard” strategies of performance controlling and employee compliance that are often weak and symbolic. In the view of contemporary HRM, Ulrich (cited in Caldwell, 2003) noted that the multiple roles of HR managers emphasized paradoxes in the culture change. Swailes (2004) argued that HR strategies need to address organizational commitment and create favorable environment for cultivation of relevant attitudes and behaviors required for successful change programs. Andreescu (2003) noted that HR practices can foster or hinder the development of organizational capabilities to emphasize desired culture change.

Due to the nature of “invisible asset”, human resources are integrated into the organisational culture acting as catalysts or as counter forces in continuous change. Therefore, human resources development has significant impact on inner capabilities for change in softer areas of motivation and attitude along with harder areas of skills level and management proficiency. Cultural evolution rather than fundamental change is recommended by Shein (cited in Al-bahussin and El-garaihy, 2013) involving a softer approach. Edgley-Pyshorn and Huisman (2011) supported this idea so that culture change could take place continuously. In this process, HR plays a critical role in activating senior management to be cultural change champions. Both HR and senior management should serve as role models positioning the desired behavior and cultivating attitudes. However, in practice there can be conflicts between HR and senior managers about the change planning and implementation.

HRM panacea of bridging business strategy and people management implied new patterns of roles and behaviors within the department that accentuate the gap between the rhetoric and reality (Caldwell, 2003). With the recent update in its nature, scholars have scrutinized transformation of HR department in organization to identify best practices and lessons to be learnt from failures. For example, the case study conducted by Edgley-Pyshorn and Huisman (2011) revealed that British university employees had negative connotation with HR department and there was still an old perception of personnel management rather than HR department. They observed financial implications in rebranding the department but did not realize the value gained from the change. Consequently, employees did not trust culture change implemented by HR because the roles and visions were poorly communicated as well as continuous support and feedback was not provided. Human Resource managers need to consider their competences and skills while initiating the culture change and conduct thorough needs analysis of each department considering the role of subcultures with clear understanding of the proposition to culture change. This will comply with a growing need to enable employee participation and development to enhance a sense of ownership and accountability (Barratt-Pugh, *et al.*, 2013).

Conclusion and recommendations

There are a number of case studies illustrating the role of HR in change process in advanced economies. However, in the context of economies in transition and with a heritage of planned economies, the role HR department is perceived as administrative rather than as a strategic partner. HR functions such as motivation, reward and performance appraisal are delivered by line and top managers and they have more accountability for culture change initiation (Bogićević-Milikić, 2007). The Ulrich model of HR as a strategic partner, employee's champion, and change agent has been applied to a limited extent. Still there is a recommendation that HRM policies have to be integrated into strategic business planning and applied to strengthen or change the organizational culture (Legge cited in Ackroyd and Crowdy, 1990).

The appraisal of the role of Human Resource Management in culture change planning and implementation revealed a number of strong propositions to consider functionality of the department along with rigidified view of traditional personnel management. The change agency of HRM suggested the partnership role in process taking into consideration the competences of the department in a particular case as well as business acumen. Educational bodies should reflect the requirements of reinforced participation in change management by HR specialists in the change agent role. Creating urgency, vision communication, employee empowerment and consistent cues approach in HR practices can contribute to culture change planning and implementation. The HR strategies and practices need to avoid fossilization and be flexible to align with the change objectives. However, the traditional perception of HRM department formulates the administrative and record keeping approach that is being transformed with more successful case studies on the role of HR department in the process. Management at surface level and control systems on their own may not explain the reasons for culture change. Referring to Francis (2003), strategically the role of HRM underpins the perspective to convey a “meaning structure” that can enable managers from different department and of different levels to develop a common language of change.

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