

## Impact Of Hrm Practices On Organisational Culture- A Study With Reference To Chemical Manufacturing Companies In Tamilnadu.

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### Abstract

*The strategic HRM consists of recruitment and selection, performance appraisal system, training and development, promotional policies, and career planning opportunities. The main aim of this paper is to study the various components of strategic HRM practices and organizational culture as well as to find the relationship between both strategic HRM and organizational culture. This study is based on responses primarily obtained from the employees of top 5 chemical companies in Tamilnadu. The responses derived from the employees of chemical companies through a well-structured questionnaire. The data were analysed through factor analysis and linear multiple regression analysis. It is found from the empirical research that strategic HRM practices in chemical companies in Tamilnadu are very popular and fruitfully practiced for productivity of the organization as well as to increase to individual efficiency of the employees. Recruitment and selection is the point of inception for SHRM followed by training and development.*

**Key words-** Strategic HRM-Organizational culture- Promotional policies- Confirmatory factor analysis.

### INTRODUCTION

There is significant difference between strategic HRM practices and general HRM practices. Many organizations focus on strategic HRM practices as they believe it immediately and inevitably bring productive results to their organizations. In fact, strategic HRM practices is a subset of general HRM practices and it consists key HRM practices needed for any organizations for their systematic past cutting approach. The strategic HRM consists of recruitment and selection, performance appraisal system, training and development, promotional policies, and career planning opportunities. These five key HRM practices have their potentiality to benefit both the employees and the employers for both short term and long term. Similarly organizational culture depends upon the ethnicity domination of employees and it varies from the country to another country. It also depends upon the central and feedback government policies and it is being practiced and exists among the employees on their individual ideology. Change in the culture commonly be achieved through rigorous strategies HRM practice in the organizations. Starting from recruitment and selection cultural changes become inevitable to recruit and select appropriate skilled talented pool of employees. These talented employees hail from different organizations with different organizational culture. Therefore the practices of strategic HRM practices bring them down to the focus point of constructive operations and also create a conducive optimistic environment for the employees to expose their talent with trust and openness. Cultural changes are also achieved through the practices of 360 degree appropriate system in the organization, both internal and external training programmes, accessibility of career development opportunities and motivated promotional policies. The employees are continuously motivated to show their participation through both non-monetary factors of strategic HRM practices. It also increases the employees loyalty towards the organization and changes their different culture to a focused organizational culture aims at productive as well as for the benefits of the employees. The perfect study intended to measure the impact of HRM practice and organizational culture.

## LITERATURE REVIEWS

**Strategic** Human resource issues are increasingly critical to organisations in a dynamic business environment. One of the challenges for HRD is to ensure the development and management of an appropriate HRD climate since the HRD culture facilitates effective implementation of HR systems. HRD climate is one that is development-oriented, supportive, motivational, and anchored in values (Agarwala, 2002). HRD climate refers to the tendency and environment where development of individuals and teams is given the highest priority and where human resources are considered the most important resource (Rao T V 2005).

**Ramesh Gelli (2015)** explained the philosophy of participative management and quality circles techniques for participative management.

**Uma Sekaran (2016)** examined the SHRM in the Indian IT industries industry as perceived by organisational members at different organisational levels and in different job positions. Several variables such as competence, performance, involvement, and satisfaction with various facets of the work life were taken into consideration for the purpose, since these are all indices of the QWL.

**Saklani D R (2017)** made an attempt to empirically evaluate the importance of various QWL factors pertaining to employees and to measure the status of their existence in work organisations. The required data were generated with a standard instrument having a sufficient degree of psychometric adequacy. The sample comprised 294 respondents of both managerial and non-managerial categories drawn from 24 organisations of different types. Rejecting the commonly held stereotype, evidence had been found to suggest that apart from monetary considerations, employees in India accorded a high value to the factors that satisfied self-esteem and self-actualization needs of a higher order. Similarly as against the observations of earlier researchers, the existing status of QWL in Indian organisations was not poor.

**Anjani Kumar Singh (2018)** attempted to identify how TQM was one of the important aspects of HRM. The author highlighted the TQM concept, objectives, and components. In addition, TQM and HRM, need and significance of TQM, benefits of TQM and requirement of success in TQM had also been dealt with. The challenge that lay ahead for IT industries was manifold. IT industries, in the days to come had to provide their broad-based service package in the midst of stiff competition. To ensure their competitive edge in future, they had to fight with rivals in terms of quality of their customer services.

**Rajen Gupta (2019)** undertaken an action research mode to simultaneously improve the implementation process and develop theoretical understanding about the process of implementation. Hence, he reported on a large HRD programme in a large organisation, illustrated interventions, which could improve the implementation, as well as examined the relevance of existing theoretical knowledge.

### Research Gap:

An exploratory approach of literature reviews pertaining to strategic HRM practices and organizational culture. The researcher identified only limited number of studies encounter and dealt with the relationship between strategic HRM practices and organizational culture. These studies also exhibited two important unaddressed issues namely,

1. What are all the factors directly linked to strategic HRM practices in chemical companies?
2. Is there exists significant relationship between strategic HRM practices and organizational culture of chemical companies.

The present research work ventured, upon these two research strategies to ascertain the existing truth.

### Objectives of the study:

1. To study the existing practices of strategic HRM in chemical companies.
2. To analyse the present organizational culture in the study area.
3. To measure the relationship between strategic HRM practices and organizational culture in chemical companies.

### Hypotheses:

1. There is no significant relationship between strategic HRM practices and organization culture in chemical companies.

### Methodology:

This study is based on responses primarily obtained from the employees of top 5 chemical companies in Tamilnadu. The responses derived from the employees of chemical companies through a well structured questionnaire. The questionnaire consists of three parts, first part aims at deriving the personal and organizational information of employees in closed options. The second part is comprised of twenty statements of strategic HRM practices in five Likert's five point scale. The third part again is made up of 15 statements in Likert's five point scale with ranges strongly agree to strongly disagree.

### Pilot study

Questionnaire of the research is based on gaps in the literature as well as findings of the previous work. In particular statement in Likert's five point scale are generated from the previous research works. So, at this juncture it is important to check the reliability of the questionnaire. The researcher applied croneback alpha method on all the Likert's five point scale statement and obtained the value 0.891 which is alone the bench mark of 0.75. This shows the very good reliability and also proved that the respondents well understood the statements and gave their responses transparently.

### DATA COLLECTION

The researcher considered the employees of top five chemical companies as the population unit in particular the researcher consider the following companies to obtain the responses, 1. Madras fertilizers limited, 2. Madras refineries limited 3. SPIC 4. Orchidchemicals 5. CPCL. The researcher circulates 60 questionnaire in all these five companies and able to get only 260 responses. The researcher applied convenient sampling method to get the responses of the employees. Hence the sample size of the research is 261.

### DATA ANALYSIS

After obtaining the 261 responses from the employees of chemical companies, the researcher systematically coded them in to numerous values and used SPSS package version 23 to analyze the data. The researcher applied exploratory factor analysis, confirmatory factor analysis, linear multiple regression analysis, one way analysis of variance and t-test to verify the objectives and hypothesis of the research.

### ANALYSIS AND DISCUSSION

In the initial stage of analysis, the researcher intended to identify the predominant strategic HRM factors. The factor analysis by exploratory method is applied on the variables of HRM practices and the following results are obtained

**Table 1-KMO and Bartlett's Test for SHRM**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.755
Approx. Chi-Square	1639.928
Bartlett's Test of Sphericity	Df
	190
	Sig.
	.000

The application of KMO measure of adequacy revealed along the Bartlett's test of sphericity that the all the 20 variables of strategic HRM practices are normally distributes and fully qualified for grouping among them to form the factors.

Table 2- Number of factors

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.916	19.580	19.580	2.522	12.610	12.610
2	1.698	8.492	28.072	1.955	9.773	22.383
3	1.336	6.680	34.752	1.770	8.850	31.233
4	1.201	6.007	40.759	1.595	7.976	39.209
5	1.197	5.985	46.744	1.507	7.535	46.744
6	1.092	5.461	52.206			
7	.980	4.900	57.106			
8	.971	4.855	61.961			
9	.912	4.560	66.521			
10	.842	4.212	70.733			
11	.754	3.772	74.505			
12	.719	3.596	78.101			
13	.705	3.526	81.627			
14	.659	3.295	84.922			
15	.621	3.105	88.027			
16	.584	2.920	90.947			
17	.539	2.697	93.644			
18	.458	2.292	95.936			
19	.428	2.139	98.075			
20	.385	1.925	100.000			

The five factors derived have the total values above the bench mark of 40 percent. They also have significant individual variance the five factors are formed through the underlying variables and they were approximately grouped over the factors recruitment and selection, performance appraisal system, training and development, career planning opportunities and promotional policies. These factors have to be confirmed through confirmatory analysis. The factors derived are confirmed by deriving the fit indices along with their bench mark values.

Table 3 Fit indices of confirmatory factor analysis

S.No	Fit inches	Values	Bench Marks
1	Che – square	10.247	-----
2	P – Sig	0,722	Greater than .05
3	Goodness of fit inches [ GFI ]	0.981	Greater than .9
4	Comparative fit Index [ CFI ]	0.975	Greater than .9
5	Normal fit Index	0.977	Greater than .9

6	Best mean square Error of appropriate [ RMSEA ]	0.07	.08
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All the six fit indices satisfy the benchmark values and prove the confirmation that five factors of strategic HRM practices in the chemical companies are most popular and regularly practices to improve the productivity of the organizations. The total averages scores of the underlying variables of all the five factors are taken up an independent factors. These factors are useful to estimate the measure of influence of strategic HRM practices over the organizational culture. The total average scores 15 values of organizational culture is taken up as unique dependent factor. In this scenario the researcher applied linear multiple regression analysis and derived the following results.

**Table 4-Variance determination**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.695 <sup>a</sup>	.483	.473	.62525

a. Predictors: (Constant), CAREER DEVELOPMENT, RECRUITMENT, PROMOTION, PERFORMANCE APPRAISAL, TRAINING

The value of  $R^2$  is greater than the required bench mark of 30 % to designates the logical reasoning for the relationship between strategic HRM practices and organizational culture. Analysis of variance in the analysis clearly exhibited F –value which highly significant to give a analytic proof that the five factors of strategic HRM practices are able to influence the present organizational culture in chemical companies.

**Table 5- Relationship determination**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	93.140	5	18.628	47.650	.000 <sup>p</sup>
	Residual	99.688	255	.391		
	Total	192.828	260			

a. Dependent Variable: Organizational culture

b. Predictors: (Constant), CAREER DEVELOPMENT, RECRUITMENT, PROMOTION, PERFORMANCE APPRAISAL, TRAINING

The computation F-statistics is to find its significance there existseep relationship between set of independent variables over the dependent factors. In the present case the significant F-value indicates that the HRM practices influence the existing organizational culture and also it has the explanatory power to change the nature of organizational culture. This leads to estimation of individual influence of all the five factors of strategic HRM practices on the existing organizational culture.

**Table 6-Individual influence of SHRM**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.784	.395		19.685	.000
	RECRUITMENT	-.571	.085	-.365	-6.732	.000
	PERFORMANCE APPRAISAL	-.338	.081	-.239	-4.177	.000
	TRAINING	-.116	.083	-.084	-1.393	.165
	PROMOTION	-.490	.096	-.278	-5.131	.000

CAREER DEVELOPMENT	.153	.081	.110	1.877	.062
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a. Dependent Variable: Organizational culture

The individual influence is estimated through F- value,  $\beta$  values and their significant. It is found all the five factor create significant influence over the organizational culture of chemical companies. Therefore, the null hypotheses considered by the researcher is rejected at 5 percent level and considered that there is a significant influence of strategic HRM practices on organisational culture.

### Findings and conclusion:

It is found from the empirical research that strategic HRM practices in chemical companies in Tamilnadu are very popular and fruitfully practiced for productivity of the organisation as well as to increase to individual efficiency of the employees. Recruitment and selection is the point of inception for SHRM followed by training and development, performance appraisal system, promotional policies and career development opportunities. These systematic and logical strategic HRM practices creates significant influences on organizational culture. In particular it influence the culture components of trust and openness, loyalty, participation knowledge sharing, knowledge transfer and team management. Strategic HRM practices continuously motivate the employee of chemical companies through both monetary and non-monetary factor to bring the employee to participate and involve in all the organizational development activities. In particular it changes a passive culture in to active culture and motivate the employees to realise the importance of job involvement culture. Organizational cultural changes are done rapidly through the vigorous strategic HRM practices in chemical companies.

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