A LITERATURE REVIEW OF HR MANAGEMENT, ORGANIZATIONAL CULTURE AND LEADERSHIP

1Anand Kumar Choudhary 2Dr. Srinivas Rao
1Research Student, MATS University, Raipur, Chhattisgarh, India
2MATS school of Management Studies and Research (MSMSR), MATS University, Raipur (C. G.), India

Abstract: Human Resource Management, Organizational Culture and Leadership are most important part for any organization and it is the source of achieving competitive advantage. HRM refer to organizational activities directed at managing the group of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. Organizational culture has deep impact on the variety of organizational process, employees and its performance. Organizations are among the key units of the society. During their establishment and development, a specific kind of organizational culture ultimately appears. The purpose of organizational culture is to improve solidarity and cohesion, and to stimulate employees' enthusiasm and creativity to improve the organization’s economic efficiency. Organizational culture greatly influences employee behavior. The success of an organization is heavily dependent on the skills, knowledge, ability and the underlying characteristic governing the organization. Now a day organization management is more complex and traditional leadership facing more problems to communicate group of people. Leadership is “the ability to influence a group toward the achievement of goal”. The article discusses about HRM, Organizational Culture and Leadership.

Keywords: - HRM, Organizational Culture and Leadership.

1.0 DEFINITION
1.1 HUMAN RESOURCE MANAGEMENT

Human resources may be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. Human Resource Management is the management activity responsible of actions and decisions that affect the relations between the organization and its members

1.2 ORGANISATIONAL CULTURE

The concept of organizational culture was popularized in the early 1980s, its roots can be traced back to the early human relations view of organizations that originated in the 1940s. Definitions of organizational culture initially focused on distinguishing levels of organizational culture and strong versus weak cultures.

![Figure 1. Level of Organisation Culture (Adapted from Schein 1980; Schein 1985)](image)

1.3 LEVELS OF ORGANIZATION CULTURE

Many definitions of culture give primacy to the cognitive components, such as assumptions, beliefs, and values. Others expand the concept to include behaviors and artifacts, leading to a common distinction between the visible and the hidden levels of organizational culture – a distinction basically corresponding to the climate/culture distinction noted above (Kotter and Heskett 1992). In contrast to the distinction between the visible and hidden levels, some theorists distinguished multiple levels. Schein (1985), one of the foremost experts in the area, identifies the following levels. Organizational culture. Accordingly, he offers the following formal definition of organizational culture: A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 1992:12). Hofstede (1980) demonstrated that there are national and regional culture groupings that affect the behavior of organizations. Deal & Kennedy (1982) culture as simply as “A system of informal rules that spells out how people behave most of the time”. Deal and Kennedy (1982) defined culture in short as “the way we do things around here”. Barley (1983) suggests that a common thread runs through these definitions, which renders culture as “something” shared by organization members. Uttal (1983) is a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organization structures, and control systems to produce behavioral norms (the way we do things around here). Schein (1985) defines culture as something an organization has as learned responses to
the organization’s problems of external adaptation and internal integration. Louis (1985) extends Schein’s perspective stating that organizational culture is an interpretive scheme or way of perceiving, thinking and feeling in relation to an organization’s issues, problems, etc. Kilmann et al. (1985) defined organization culture as “the shared philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms” that knit an organizational together. Schein (1985) defines organizational culture as basic assumptions members of an organization posse, which directs their thoughts and actions. Morgan (1986) argues that due to the high role human nature processes play in an organization, it is important that organizations are built around people rather than techniques. Deal (1986) defined it as “the human invention that creates solidarity and meaning and inspired commitment and productivity.” Deshpande and Webster (1989) define organizational culture as the “pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with norms for behavior in the organization”. O’Reilly, Chatman, and Caldwell (1991) in some comparative work published that seven dimensions could be used to compare across organizations. Kotter and Heskett (1992) noted that culture is “a set of beliefs, values and behaviors commonly held by a society, being derived from social anthropology as a framework for understanding ‘primitive’ societies”. Marcoulides & Heck (1993); Schein (1992)

Organizational culture facilitates the acceptable solution to know the problems, which members learn, feel and set the principles, expectations, behavior, patterns, and norms that promote high level of achievements. Deshpande, Farley and Webster (1993) suggest that organizational culture reveals “why things happen the way they do”. Brown (1995, 1998) delineates organizational culture as the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization’s history, and which tend to be manifested in its material arrangements and in the behaviors of its members. Cameron and Quinn (1999) suggest organizational culture refers to the taken-for-granted values the underlying assumptions, expectations, collective memories, and definitions present in the organization. Similarly, Snn (2008) defines organizational culture as the “set of theory” of important values, beliefs, and understandings that members share in common, which help managers to make decision and arrange activities of the organization. Geert et al (2010) “it is the collective programming of the mind that distinguishes the members of one group or category of people from others”. Schein (2011) Organizational culture is the set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace. Nelson & Quick (2011) Organizational culture has four functions: gives members a sense of identity, increases their commitment, reinforces organizational values, and serves as a control mechanism for shaping behavior.

2.0 LITERATURE REVIEW

2.1 LITERATURE REVIEW OF HUMAN RESOURCE MANAGEMENT

Leavitt (1965) Proposes that an organization can change four things its task or purpose, its technology, its structure and its employees. Hostage (1975) believes that a service firm’s contact personnel comprise the major determinants of service quality. Berry (1980) along with Booms and Bitner (1981) argue that, due to intangible nature of services, customer use elements associated with the physical environment when evaluating service quality. Levitt (1981) proposes that customers use appearances to make judgments about realities. Berry (1981), Gronroos (1990) and Gunnesson (1990) stated that if a management wanted its employees to deliver an outstanding level of service to customers, it must be prepared to do a great job with its employees. McCleary and Weaver (1982) indicated that good service is defined on the basis of identification of measurement behaviours that are important to customers. Lewis and Booms (1983) propose that service quality resides in the ability of the service firm to satisfy its customer needs i.e. customer satisfaction. Beer and others (1984) also stress the importance of HRM in getting managers involved in the dissemination of the organization’s central mission to all employees. Gronroos (1984), Lehtinen and Lehtinen, (1982)

Defining service quality and its components in a form that is actionable in the workplace is an important endeavor that any business company cannot take lightly. Russel, Trebor and Powers (1985) demonstrated a link between the adoption of employment training programs and financial performance. Zemke and Albrecht (1985) suggested that service plays an important role in defining a restaurant’s competitive strategies and identified systems and strategies for managing service. Russel, Trevor and Powers (1985) demonstrated a link between the adoption of employment training programs and financial performance. As suggested by (Levitt, 1986; Gronroos, 1994; Morgan, 1994; Gunnesson, 1999; Bejou etal, 1998) trust, commitment, ethical practices, fulfillment of promises, mutual exchange, emotional bonding, personalisation and customer orientation have been reported to be the key elements in the relationship building process. Gronroos (1990) Customers evaluate banks’ performance mainly on the basis of their personal contact and interaction. Rutherford (1990) reported that motivation makes an organization more effective because motivated employees are always looking for better ways to do a job, so it is important for management to understand how organizations influence the motivation of their individual employees. Cascio (1991) argues that the financial returns associated with investments in progressive HR practices are generally substantial. Schneider and Bowen (1993) postulated that by recruiting and selecting right people, training them to work in the market segment allocated to them, rewarding them according to the objective achieved by them would get benefits to the organization. Terpstra and Rozell’s (1993) study of the relationship between recruiting/selection practices and firm performance, where they found a significant and positive link between extensiveness of recruiting, selection and the use of formal selection procedures and firm performance. Fisk et al., (1993) Academics and practitioners have demonstrated interest in issues that surround the measurement of service quality and the conceptualization of the relationship between service quality and consumer satisfaction. Fisk et al., (1993) The interest in service quality parallels the focus on quality, total quality management, and satisfaction in business. Schneider & Bowen (1993) Management should be aware of this closeness, which has a strong influence customer's perception of service quality. Palmer (1994) The role of marketing is to achieve organizational aims by satisfying user’s needs, and HRM is about reaching organizational aims. For this reason HRM must be concerned with satisfying external customer needs. Collins & Poras (1994); Sako (1998); Shaw, (1997) HRM practices are an important part of the social exchange that characterizes employment relations, and in which the components of trust come into play. Wager (1994) employees’ trust in managers will be positively related to perceived service quality. Schneider & Bowen (1995) Two partners are actively involved in the service process: employees and customers, and when an organization nurtures its relationships with its employees, a real improvement in service provision to customers occurs. Huselid (1995) in his famous article "The impact of human resource management practices on turnover, productivity, and corporate financial performance" took eleven human resource management practices which are personnel selection, labour management participation, incentive Compensation, performance appraisal, grievance procedures, information sharing, job design, attitude assessment, recruitment efforts, promotion criteria and employee training. William et al., (1996) Career planning is a tool that aligns strategy with future HR needs and encourages employee to strive for his personal development. Koch and McGrath (1996) reported that firms using more
sophisticated staffing practices (planning, Recruiting and selection) had higher labor productivity. Hollowell (1996) Both the service management and the marketing literatures suggest that there is strong theoretical underpinning among customer satisfaction, customer loyalty, and profitability. Spender (1996) knowledge has become the most important strategic factor of production, so managers must now focus on its production, acquisition, movement, retention and application. Delaney and Huselid (1996) categorized the human resource management practices into the factors that improved employee skills, motivated and inspired the employees, and arrangement design of the workplace. Koch and McGrath (1996) reported that firms using more sophisticated staffing practices had higher labor productivity. Patterson et al (1997) while discussing impact of people management practices on business performance has argued that HR practices in selection and training influence performance by providing appropriate skills. Worsam (1997) successful service organizations invest heavily in HRM, especially ongoing training. The management of human resource is crucially important in all organizations but it is particularly true of service organizations where every employee is (or potentially is) in direct contact with customers. Lam and White (1998) reported that firm’s HR orientations (measured by the effective recruitment of employees, above average compensation and extensive training and development) were related to return on assets, growth in sales and growth in stock values. Parasuraman et al., (1988) Research has indicated that service quality has been increasingly recognized as a critical factor in the success of any business. Cowling and Newman (1995) the banking sector in this case is not exceptional. Service quality has been widely used to evaluate the performance of banking services. Bateson (1995) states that quality is generally conceptualized as an attitude, the customer’s comprehensive evaluation of the service offered. Lam and White (1998) reported that firms’ HR Orientations (measured by the effective recruitment of employees, above average Compensation, and extensive training and development) were related to return on assets. Growth in sales and growth in stock values. Schneider, While & Paul (1998) supportive working environment and organizational aspiration to service and excellence will motivate employees to give customers the best service. On the other hand, customer who meets a satisfied and enthusiastic employee will perceive the provided service positively. Schneider, White, and Poul (1998) developed and tested a model of the effects of the service oriented climates in bank branches on customer satisfaction. Schneider and Bowen (1999) suggested that companies manage how to implement concern for customer needs in all actions that might influence customer’s feelings about relationship with the firm. Cooke (2000) efficiency and effectiveness as ingredients of Performance apart from competitiveness and productivity. Richard and Johnson (2001) examined the impact of strategic HRM effectiveness on a number of performance variables. Guest (2002) have argued that the Impact of HRM on performance depends upon worker’s response to HRM practices, so the impact will move in direction of the perception of HRM practices by the employee. Grant (2002) holds that knowledge is the overwhelming important productive recourse; indeed the value of people and machines lies primarily in the fact that they embody knowledge. Datta et al., (2003) Use of best HR practices shows a stronger association with firm’s productivity in high growth industry. Wright et al (2003) have argued that an employee will exert discretionary effort if proper performance management system is in place and is supported by compensation system linked with the performance management system. Bowen and Ostroff (2004) have conceptualized psychological climates as one that apply to individuals in their own specific work contexts based on the experimental perceptions of what people see and report happenings to them as they make sense of their environment. Chaoprasert and Elsey (2004) Banks need focus on service quality as a core competitive strategy. Summers & Hyman (2005) increasing employee participation, the firm will benefit from increase in productivity of the employee due to increased commitment of the employee. Qureshi M Tahir (2006) It clearly outlines duties, responsibilities, working conditions and expected skills of an individual performing that job. Green, Wu, Whitten and Medlin (2006) reported that organizations that vertically aligned and horizontally integrated HR function and practices performed better and produced more committed and satisfied HR function employees who exhibited improved Individual and organizational performance. Tesseema & Soeters (2006) in their famous article "Challenges and prospects of HRM in developing countries: testing the HRM-performance link in Eritrean civil service" took eight HRM practices which are recruitment and selection practices, placement practices, training practices, Compensation practices, employee performance evaluation practices, promotion practices, grievance procedure and pension or social security. Tahir Masood Qureshi (2006) Impact of HR practices on organizational performance in Pakistan clearly indicate that HR practices affect Organizational Performance through employee outcomes. Humphrey, Ehrich, Kelly; Sandall, Redfern, Tsai (2006) Taiwan reported that effective use of employee empowerment practices are positively related to organizational performance. HRM plays an important role in the exchange relationship between the organization’s management and its employees, and its practices might have some effect on service quality. Wolf and Zwick (2008) found that employee involvement and financial incentives and inducement were often honored as efficient way for increasing the organizational productivity. They revealed that employee job involvement lifted up the organizational productivity, but monetary incentive scheme did not do so.

2.2 LITERATURE REVIEW ORGANISATION CULTURE

Deal and Kennedy, (1982) recognizes the link between culture and organizational excellent performances via its human resource development programmes. Gordon and Cummins (1989) define organization culture as the drive that recognizes the efforts and contributions of the organizational members and provides holistic understanding of what and how to be achieved, how goals are interrelated, and how each employee could attain goals. King (1990) all organizational change involves innovation, all organizational innovation involves change. Hofstede (1990) summarizes organization culture as collective process of the mind that differentiates the members of one group from the other one. Schein (1990) as overall phenomenon of the organization such as natural settings, the rite and rituals, climate, values and programmes of the company e.g. performance management, training and development, recruitment and selection, etc. Yeung, Brockbank and Ulrich (1991) Organizational culture is important vehicle for implementing organizational change. Kotter and Heskett (1992) Organizational culture is conceptualized as shared beliefs and values within the organization that helps to shape the behavior patterns of employees. Klein, (1996) positioned organizational culture as the core of organization’s activities which has aggregate impact on its overall effectiveness and the quality of its product and services. Mahler (1997) The culture of an organization is brought about as a result of different factors some of which include the influences of national culture, previous events in the organization, the different personalities and the socialization individual members experienced as a result of past educational and work settings. Martins and Terblanche (2003), culture is deeply associated with values and beliefs shared by personnel in an organization. Schein (2004) defined organizational culture as a dynamic force within the organization which is revolving, engaging and interactive and it is shaped up by the employees and management gestures, behaviors and attitudes. Schneider and Smith (2004) argues
3.0 LEADERSHIP

The concept of leadership has an ambiguous status in organizational practice, as it does in organizational theory. In practice, management appears to be of two minds about the exercise of leadership. Many jobs are so specified in content and method that within very broad limits differences among individuals become irrelevant, and acts of leadership are regarded as gratuitous at best, and at worst insubordinate. (Katz & Kahn, 1966).

3.1 DEFINITIONS

Leadership may be considered as the process (act) of influencing the activities of an organized group in its efforts toward goal setting and goal achievement. (Stogdoll, 1950). Leadership is the behaviour of an individual when he is directing the activities of a group toward a shared goal. (Hemphill & Coons, 1957). Leadership is the accomplishment of a goal through the direction of human assistants. A leader is one who successfully marshals his human collaborators to achieve particular ends. (Prentice, 1961). Leadership is interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals. (Tannenbaum, Wascher & Massarik, 1961). Leadership is the initiation and maintenance of structure in expectation and interaction. (Stogdoll, 1974). Leadership is a process of influence between a leader and those who are followers. (Hollander, 1978). Leadership is the influential increment over and above mechanical compliance with the routine directives of the organization. (Katz & Kahn, 1978). Leadership is an influence process that enables managers to get their people to do willingly what must be done, do well what ought to be done. (Cribbin, 1981). Leadership is the process of influencing the activities of an organized group toward goal achievement. (Rauch & Behling, 1984). Leadership is an attempt at influencing the activities of followers through the communication process and toward the attainment of some goal or goals. (Donnelly, Ivancevich & Gibson, 1985). Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation. (Hersey & Blanchard, 1988). Leaders are those who consistently make effective contributions to social order, and who are expected and perceived to do so. (House, 1988). Leadership is a development of a clear and complete system of expectations in order to identify evoke and use the strengths of all resources in the organization the most important of which is people. (Batten, 1989). Leadership is an interaction between two or more members of a group that often involves a structuring or restructuring of the situation and the perceptions and expectations of members. Leadership occurs when one group member modifies the motivation or competencies of others in the group. Any member of the group can exhibit some amount of leadership (Bass, 1990). Leadership is the art of influencing others to their maximum performance to accomplish any task, objective or project. (Cohen, 1990). Leadership is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose. (Jacobs & Jaques, 1990). Leaders are individuals who establish direction for a working group of individuals who gain commitment from this group of members to this direction and who then motivate these members to achieve the direction’s outcomes. (Conger, 1992). Leadership requires using power to influence the thoughts and actions of other people. (Zalenik, 1992). Leadership is that process in which one person sets the purpose or direction for one or more other persons and gets them to move along together with him or her and with each other in that direction with competence and full commitment. (Jaques & Clement, 1994). Leadership is the art of mobilizing others to want to struggle for the shared aspirations. (Kouzes & Posner, 1995). Yukl (2002) presents a compilation of representative definitions of leadership from 1957 up to 1999. The term leadership is a word taken from the common vocabulary and incorporated into the technical vocabulary of a scientific discipline without being precisely redefined. Yukl (2002) leadership is a process whereby intentional influence is exerted by one person over others in order to guide structure and facilitate organizational activities and relationships. There exist numerous definitions of leadership, almost as many as there are scientists who work on the concept of leadership (Stogdoll, 1974), trying to narrow this concept down in terms of traits, behaviors, influence, interaction patterns, role relationships, occupation of an administrative position, or attributions. Still, the observation made by Bennis (1959) holds as it did many years ago: Always, it seems, the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So we have invented an endless proliferation of terms to deal with it and still the concept is not sufficiently defined. Besides, leadership ideologies and myths (for more details see Neuberger, 2002) further blur the common understanding of leadership.

4.0 TRADITIONAL LEADERSHIP

Hemphill (1949) Leadership may be defined as the behavior of an individual while he is involved in directing group activities. Hemphill & Coons (1957) “the behavior of an individual directing the activities of a group toward a shared goal”. Fiedler (1967) Leadership behavior means particular acts in which a leader engages in the course of directing and coordinating the work to his group members. Burn (1978) Leadership is the reciprocal process of mobilizing by persons with certain motives and values, various economic, political and other resources, in context of competition and conflict, in order to realize goals independently or mutually held by both leaders and followers. Burn (1978) “exercised when persons mobilize institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the motives of followers”. Katz & Kahn (1978) “the influential increment over and above mechanical compliance with the routine directives of the organization”. Rauch & Behling (1984) “the process of influencing the activities of an organized group toward goal achievement”. Richards & Engle (1986) “about articulating visions embodying values, and creating the environment within which things can be accomplished”. Bennis (1989) the capacity to create a compelling vision and translate it into action and sustain it. Yukl (1989) Leadership involves influencing task objectives and strategies, influencing commitment and compliance in task behavior to achieve these objectives, influencing group maintenance and identification and influencing the culture of an organization. Bass (1990) The principal dynamic force that motivates and coordinates the organization in the accomplishment of its objectives. Jacobs & Jaques (1990) “a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose”. Rost (1991) Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes. Schein (1992) “the ability to step outside the culture to start evolutionary changes processes that are more adaptive”. Drath & Palus (1994) “the process of making sense of what people are doing together so that people will understand and be committed”. House et al., (1999) “the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization”. Kellerman and Webster (2001) Leadership is a process a dynamic process in which the leader(s) and followers
interact in such a way as to generate change. Vroom and Jago (2007) A process of motivating people to work together collaboratively to accomplish great things.

6.0 CONCLUSION
The review of the literature on HRM practices have shown that to effectively manage the human resources the organizations have to implement innovative HRM practices. The organizations which implements such practices with dedication, remains ahead of their competitors because such practices affects other variables such as competitive advantage, job satisfaction, financial performance, employee turnover, service quality, employee commitment etc. in a positive manner and leads to overall corporate performance. Schein's (1985) organizational culture as a pattern of shared basic assumptions learned by organizational members as they solve problems of external adaptation and internal integration, which have provided to be valid, and as such taught to new members as the correct way to perceive, think and feel in relation to possible future problems. It is important to understand that in most instances, organizational culture is developed by the entrepreneur, and is in the early state of the organization pushed by the entrepreneur. Organizational culture and performance revealed that companies that know how to develop their cultures in an effective way most probably have the benefit of advancement in productivity and the quality of work life among the employees. Employees must adopt the organizational culture at the maximum strength and the top management should provide a specific guideline and direction to motivate the employees in achieving the company’s objectives. Leadership is considered a crucial feature of organizational performance. Employee performance enhancements if appropriate leadership is practiced, the behavior of leader is motivational factor which leads employees to work best and make leaders get the best performance from the employees. Intellectual leadership make leaders do the best efforts in company’s favor, do their duty ethically as they visualize the future outcomes of their work. Effective leadership positively influences the performance of company. It is the result of high performance of employees that the overall performance of the organization enhances and the goals are achieved in their due time. Employee performance and leadership are directly related and if leadership phenomenon is ignored, companies suffer with bad results (Oluseyi et al., 2009).

REFERENCE


