ORGANIZATIONAL CULTURE AND ITS RELATIONSHIP WITH HRM PRACTICES: A HYPOTHETICAL ANALYSIS OF NATIONAL INSURANCE COMPANY LIMITED (NICL) PAKISTAN

Aftab Ahmed Mangi
Dr. Hakim Ali Kanasro
Dr. Yasmeen Yousif Pardesi

ABSTRACT

This research is concentrated on the study of organizational culture and its connection with the human resources management practices particularly in the Pakistani organizations. Subsequently a thorough literature review, the research aims, methodology and hypothesis are selected and the data is collected through structured questionnaire. The National Insurance Company Limited NICL (Pakistan) has been examined and the despondency is focused on marketing, management and technical staff of the above said organization. The analysis of data covers the characteristics of sample size, the demographic presentation of the study and ANOVA results. The results of the study indicate that the majority of the respondents are male, young and qualified. The ANOVA results have accepted the Null hypothesis which shows that the socio- cultural adaptation is statistically not significant in organization NICL.

INTRODUCTION

The adaptation of organizational culture and its influence on human resources management HRM practices are measured on the techniques which are developed in the background of western cultural and values, the available entire literature is also in that ground. Consequently there is a question of rationality to use the same instrument for the socio-cultural study of the countries like Pakistan. Organization culture is perceived to be a collective behavior of the employees towards their collective objectives. Ravasi and Schultz (2006) described as "Organization culture comprises on values, visions, beliefs, norms, systems, symbols, operational languages and habits which employees shows in their

actions and also includes predictable pattern". As the world is becoming one independent global market place and Pakistan also has been informed and encouraged by the World Bank to review HRM and its Human Capital. In this respect it becomes really essential to study the Pakistani organizations work places and to examine the organizational culture and its impact on human resource management practices. The objective of this research is to explore the impact of cultural variables on HRM practices in Pakistani organization; National Insurance Company Limited NICL which is then kept as a case study for organizational culture and its relationship with human resources management practices.

REVIEW OF LITERATURE

There is a choice of literature available which clearly denotes the significance of Human Resource Management (HRM) and academics are deeply selecting this topic and its related areas in their research and attention. Singer M. G. (1990) have defined "human resources management is a special field that focus to develop programs, policies and activities to promote the satisfaction of both individual and organizational needs, goals, and objectives".

Whereas human resource management HRM has been measured as vide range topic in practice of modern organizations and it has been also observed that HRM practices and activities have a greater impact on the organizational performance and success. These are the areas of Human Resource Management practices which are affecting the performance of organizations: (1) job enrichment, (2) empowering supervision; and (3) performance/reward contingency. Robert (2002) claims that "Human resources managers also provide services, as recruitment, selection and training. Human resource managers advertise for candidates, interview and conduct test of candidates, short list and recommend successful candidates to be appointed".

Now a day's organizations have become very goal oriented that's why human resource management emphases on the organizational goals closely to accomplish the desired objective. The objectives of HRM are influenced by organizational objectives, individual and social goals. Each organization has some

goals and every part of it should contribute directly or indirectly to the attainment of desired goals" stated P G Aquinas (2006). The purpose of formal structure of organization is to increase the effective working of the organization. The formal structure is relatively defined by the organizational chart which shows the main areas of authority and responsibility and their relationship" said Robert (2002). Several researchers have explained HRM in a very simple way and they have explained the use of HRM in modern organizations as Hilary Harris *et.al.* (2003) explains HRM in a very simple way that "Every organization has to recruit workers, deploy them, pay them, motivate them and eventually arrange for their departure". As every organization has its own culture which comprises on values, visions, beliefs, norms, systems, symbols and those have deep impact on the organizational performance. Shaista E. Khilji (2004) stated that the values of employees and organizations in Pakistan has two dimensions, which are emerged as national and employees work related values and discovered the method and outcome of reestablishing HR systems in order to grow a new organizational culture.

It is concluded that the younger workers in particular have knowledge of a change in their value system; and they believe in altered set of HRM practices. Through the above literature review the following objectives for more study are fixed to be studied.

OBJECTIVES OF STUDY
- To study the organizational and culture adaption and its impact on organization.
- To assess the impact of organizational culture on human resource management.
- To determine the role of HRM practices in the overall satisfaction of employees.

METHODOLOGY
The preference of research methodology is very essential work which needs an exploration of literature on the related topic. As mentioned above the problem researcher has adapted some questions to make simplicity for the respondents as respondents were at ease to focus their organizational and socio-cultural

environments. In this study 12 questions were asked from the respondents about Socio-Cultural adaptation, behavioral interaction among the employees and it was focused to assess the impact of organizational culture on human resource management practices on the above said organization. The questionnaire was close ended and based on five point's Likert scales as; 1=No Difficulty, 2=Slight Difficulty, 3=Moderate Difficulty, 4=Great Difficulty and 5=Extreme Difficulty.

Questions were given as under:
1. Understanding the organizational value system
2. Dealing with people in authority
3. Understanding your organization's world view
4. Understanding cultural differences
5. Taking organizational perspective on over all Pakistani culture
6. Being able to see two sides of an intercultural issue
7. Dealing with people harassing you
8. Communicating with people of a different ethnic group
9. Dealing with higher authority
10. Dealing with members of the opposite sex
11. Understanding the Impact of Pakistan's political system on your organization.
12. Dealing with someone who is unpleasant.

Babbie and Mouton (2001), explained that the importance of the Likert scale plan is the clear to get the response in categories and it makes able to assess the strength of different items. Davidson (2004) stated that scale of rating is a set of words, statements, or signs on the basis that opinion has been made and the worth of a particular feature is recorded. Vagias, Wade M. (2006) has explained in detail the Likert scales in his research the levels of difficulty which scales are very useful and reliable for the analysis of data. Michael Boiger (2008) used this scale in his survey, Likert scale is one of the types of rating scale which is quite easy to make and it is reliable scale:

    1 = No Difficulty (ND),
    2 = Slight Difficulty (SD),
    3 = Moderate Difficulty (MD),
    4 = Great Difficulty (GD), and
    5 = Extreme Difficulty (ED).

Selection of Sample Size

Mouton (1996) has described that the population is the complete set of data from the sample is selected than the researcher desires to depict the conclusions. Rationally due to the specific population, the number of respondents those returned the questionnaire from National Insurance Company Limited (NICL) is N=156, total sent questionnaires were 300 to the employees of the departments as; Marketing, Management, Technical, and Supporting staff simultaneously.

Validity of Survey

Babbie and Mouton (2001) elaborates the Validity of Survey that the concept to measure the reliability is explained as the value of the measurement process that advocate the data which is composed every time in normal analysis of the same visible fact. Cho (2000) in his study explained the reliability and validity of Denison organizational culture Survey scale analysis on the likert scales (5 scales from each index) to see how the five scales were unified, valid and reliable. The tests of research hypotheses are based on the Statistical methods and for research analysis different tools were used as these are embodied in the Microsoft's excel program.

HYPOTHESES

Looking the above objectives, the following hypotheses are formulated:

Hypothesis
Ho: The socio-culture adaption in Organization is statistically not significant for the organizational development
Ha: The socio-culture adaption in Organization is statistically significant for the organizational development

DATA ANALYSIS: (NICL)
THE CHARACTERISTICS OF SAMPLE SIZE (N=156)

The demographic Presentation of Sample and demographic characteristics of the survey is shown in the following given charts.
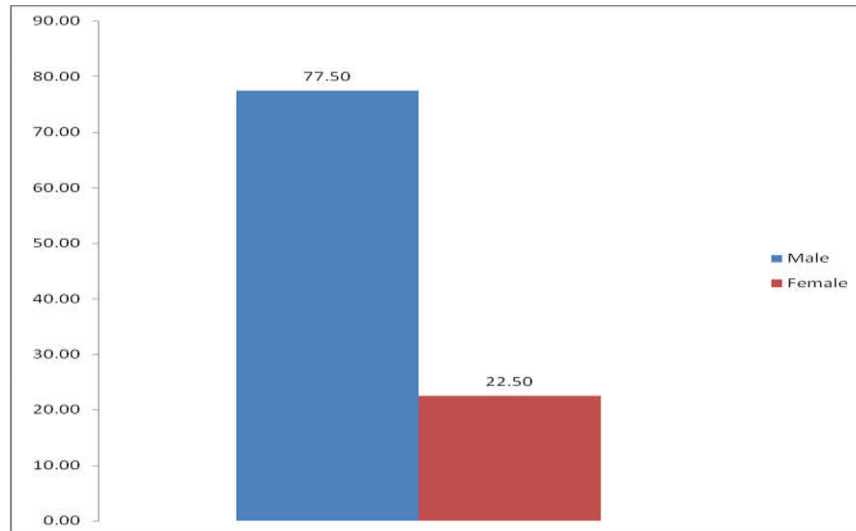
Chart-1: Gender-wise Distribution of Respondents

Chart-1 is very clear to see the arrangement of male and female respondents in our collected data. Pakistan is a country which is culturally and religiously more male dominant society and there is less number of female employees (22.50%) working in the NICL organization. The above chart is showing that there is (77.50%) are male respondents while looking at the sample size that is (n=156).

Chart-2: Age-wise Distribution of Respondents (NICL)
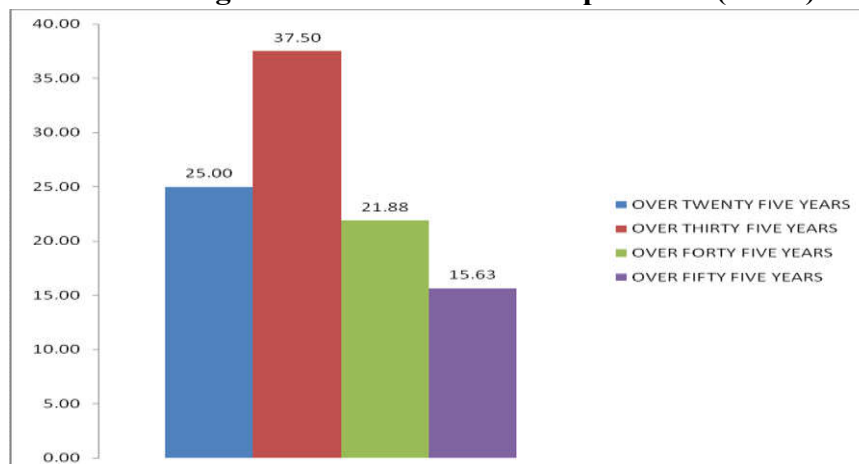
It's important to focus the respondents of all age groups. The collected data is shown in the above Chart 5.6 which is showing age groups of the respondents. In the age group of above 25 years are (25.00%), in the age group of over 35 years are (37.50%), the age group of over forty is (21.88%), and in the age group of over forty is (15.63%). The samples of age categories consist on 20-60 years. The above Chart-2 explains that the majority of the respondents almost (62%) are in the age groups of 25-35 years it shows that the majority of young employees are working in the said organization.

Chart-3: Distribution of Respondents According to the Departments (NICL)
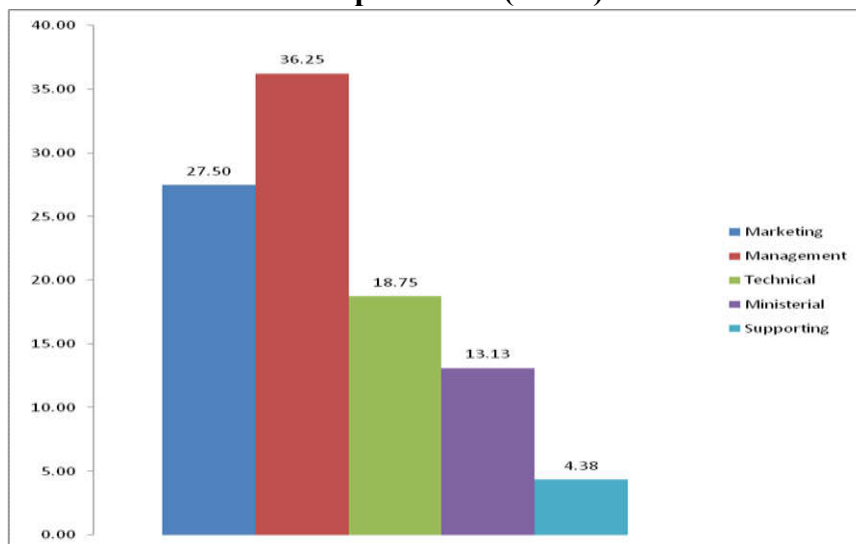
The above Chart-3 shows that the respondents are working in different departments and they respond like as. The respondents belong to marketing are (27.50%), management are (36.25%), technical are (18.75%), ministerial respondents are (13.13%) and respondents from supporting are (4.38%). The Chart shows that the majority of respondents (63.75%) belongs two departments which are marketing and management. The respondents of ministerial and supporting staff are less as (17.51%) data shows that there is good number of respondents from each department.

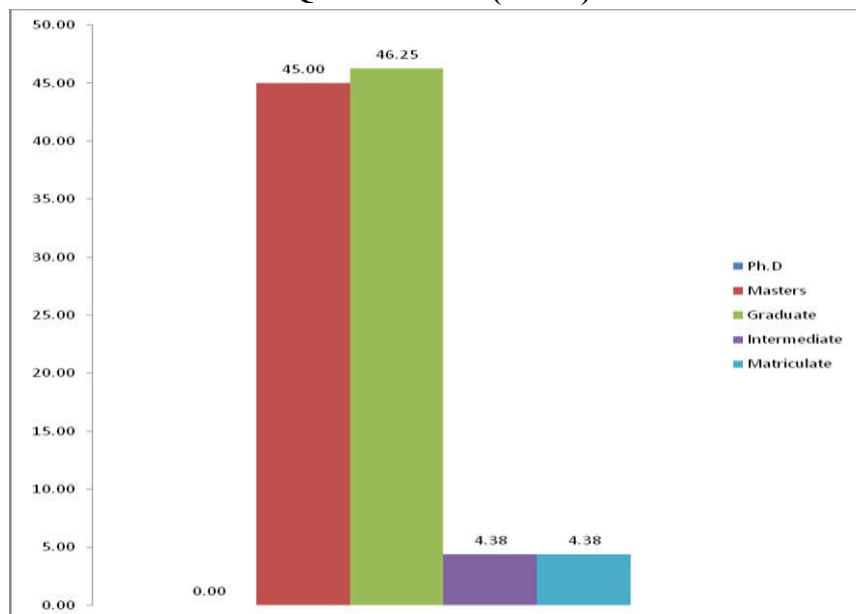**Chart-4: Distribution of Respondents According to Qualifications (NICL)**

Chart-4: NICL is the organization of qualified personnel. This statement is based on the result of our survey. Majority of the respondents have master degree (45.00%), the graduates are also in majority (46.25%), the intermediates are (4.38%), matriculates are (4.38%) and some of the respondents also have PhD degree. the organization is facing the high competition in the international market so that it considers employing the highly qualified skilled candidates to meet the market competition.

ANOVA AND RESULTS - (NICL)
SOCIO-CULTURAL ADAPTATION SCALE
Variance & Standard Deviation of Socio-Cultural Adaptation Scale

TABLE- 1 ANOVA: ROWS (NICL)					
SUMMARY	**Count**	**Sum**	**Average**	**Variance**	**SD**
Question # 1	5	156	31.2	357.7	18.9
Question # 2	5	156	31.2	441.2	21.0
Question # 3	5	156	31.2	89.2	9.4
Question # 4	5	156	31.2	309.2	17.6
Question # 5	5	156	31.2	221.2	14.9
Question # 6	5	156	31.2	221.2	14.9
Question # 7	5	156	31.2	419.2	20.5
Question # 8	5	156	31.2	57.2	7.6
Question # 9	5	156	31.2	125.2	11.2
Question # 10	5	156	31.2	104.7	10.2
Question # 11	5	156	31.2	87.2	9.3
Question # 12	5	156	31.2	513.2	22.7

Table-1 Anova ROWS is showing the average, variance and standard deviation (SD) of 12 questions asked on Likert Scales. The total 160 respondents on each question showing a different averages and SDs. Accordingly the Q12 is showing a high average 513.2 and SD 22.7 and Q8 a low average 57.2 and SD 7.6, which means that Q12 'Dealing with someone who is unpleasant' which is showing an unlikely behavior and both, the average and standard deviation are larger than all other questions and it reveals that respondents are unclear when they are asked about the understanding the cultural differences.

ANOVA OF COLUMNS, SOCIO-CULTURAL ADAPTATION (NICL)

TABLE-2 ANOVA: COLUMN (NICL)				
Groups	**Count**	**Sum**	**Average**	**Variance**
ED	12	404	33.66667	141.5152
GD	12	410	34.16667	178.5152
MD	12	381	31.75	157.4773
ND	12	326	27.16667	169.0606
SD	12	351	29.25	386.3864

The above Table-2, ANOVA COLUMN shows the statistics of responses on Likert scales viz: ND which stands for No Difficulty, SD for Slight Difficulty, MD for Moderate Difficulty, GD for Great Difficulty and ED for Extreme Difficulty. The table depicted the highest average to GD which is 34.16 and lowest average to SD 29.25

ANOVA OF SOCIO-CULTURAL ADAPTATION (NICL)

TABLE-3 ANOVA(NICL)						
Source of Variation	SS	df	MS	F	P-value	F crit
Between groups	423.1	4	105.775	0.512002	0.727129	2.539689
Within Groups	11362.5	55	206.5909			
Total	11785.6	59				

The Table-3- ANOVA is showing the P-value which is tested on the 5% significance level (.05). The p-value of Rows (0.7) is greater than the significance level (.05), so the hypothesis is accepted, because the p-value is not equal or less than level of significance therefore, we can't reject the null hypothesis. This result also showing that the F (0.5) is more than the F.crit (2.53) which justifies that the null hypothesis is accepted.

TABLE-4
CORRELATION BETWEEN COLUMNS (NICL)

	ED	GD	MD	ND	SD
ED	1				
GD	0.371014	1			
MD	-0.09865	0.547895	1		
ND	-0.58735	-0.64802	-0.38472	1	
SD	-0.40588	-0.82538	-0.69664	0.380058	1

The above Table-4- shows the Correlation between Columns of responses on Likert scales viz: ND which stands for No Difficulty, SD for Slight Difficulty, MD for Moderate Difficulty,

GD for Great Difficulty and ED for Extreme Difficulty. The results of above Table Correlation between the COLUMNs are showing three variables having weak positive correlation and most of the others are showing negative or inverse correlations. The correlations between all variables are showing a weak "r" value except one correlation between GD and SD which is a strong "r" value (-0.825).

DISCUSSION & CONCLUSION

It is true that every organization creates a specific culture so as **NICL** has its own organizational culture which is visible through the behavior of the employees and with their belief, values, norms, performance and organizational practices. Though the employees are from various ethnic groups and speaking multiple languages but they all have to adopt the organizational culture which is required for employee's performance and organizational performance and to achieve the objectives.

The ANOVA results have accepted the Null hypothesis, which suggests that the organizations like NICL are very rigid and close for the concept of 'socio-cultural adaptation' which is considered a highly motivating factor for employees and the development of organization on the global bases. Therefore, the study reveals that there is an importance of the organizational and socio-cultural adaptation in the organizations in the countries like Pakistan.

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