

AN EMPIRICAL STUDY OF ORGANIZATIONAL CULTURE AND HUMAN RESOURCE MANAGEMENT: CASE STUDY OF PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Aftab Ahmed Mangi
Dr. Hakim Ali Kanasro

ABSTRACT

This research is focused on the issues of organizational culture and its impact on the human resource management practices especially in the organizations in Pakistan. After a thorough literature review, the research objectives, methodology and hypothesis were selected and through a questionnaire the selected organization (Pakistan International Air Line Corporation) was investigated. The data analysis comprises on the characteristics of sample size, the demographic characteristics of the survey and the results shows that the majority of the respondents are male, young, qualified and the study is concentrated on marketing, management and technical staff. The data analysis for the ANOVA and Correlation was carried on computer packages using the Excel program. The ANOVA results have rejected the Null hypothesis which means that the socio- cultural adaptation in organization is statistically significant for the organizational development in Pakistan.

INTRODUCTION

The socio-cultural environment of the organization influences internal work culture and human resource management (HRM) practices. The organizational culture adaptation and its impact on human resources practices are studied on the techniques developed in the context of western cultural values and the whole literature available is also in that arena. Therefore, there is a question of validity of the same tool for the socio-cultural study of the countries like Pakistan.

More than two decades ago, Barrett and Bass (1976) observed that most research in industrial and organizational psychology is done within one cultural context. This context puts constraints upon both; our theories and our solutions to the organizational problems. This observation stems from the variable to explain

organizational behavior and human resource practices. The researchers were primarily concerned with testing the generalization of North American behavioral theories and technologies in other countries.

The world is fast becoming one independent global market place. Pakistan too has been briefed and prompted by the World Bank to rethink on HRD and its human capital. In this regard it becomes extremely necessary to investigate the Pakistani organizations work places to investigate the organizational culture and its impact as human resource practices.

The premise of this research is to investigate the impact of cultural variables on HR practices in Pakistani organization. Pakistan International Air Line Corporation (PIAC) is then taken as a case study in this context.

REVIEW OF LITERATURE

There is a variety of literature available which explicitly elaborate the importance of Human Resource Management (HRM) and researchers are keenly choosing this subject and its related areas in their research and focus. In early 50s there were some traditional titles used for this discipline, such as; industrial relations, personnel administration and, personnel management. These were in practice to meet the requirements of organizations. Singer (1990:3) defines that the "Human Resources Management, a relatively new term emerged during the 1970s".

The recruitment and selection is also remained one of the important process. According to Hilary Harris, *et.al.* (2003) the organization only can be run properly when there is proper selection and training. "The resourcing process making ensure that the organization has people of the right quality, therefore look first at recruitment and selection in the context of human resource planning and then look at training and development" (*Ibid*:81).

Before 80's, HRM managers in their practices had less concern on recruitment, selection, and training. Due to the market competition and computer applications in every field the managers realized that the selection of particular person on particular job is very important and to adopt the modern techniques for training of their newly appointed candidates.

Robert (2002) argues that "Human resources managers also provide services, for instance in recruitment, selection and training. In the areas of recruitment and selection, human resource managers may advertise for candidates to fill a particular job, interview and test those candidates, and prepare a short list and make a recommendation as to which of the candidates should be appointed"

Recently, organizations have become extremely goal oriented that is why human resource management focuses on the organizational objectives minutely to achieve the desired goal. Aquinas (2006) stated that the "Objectives of human resource management are influenced by organizational objectives and individual and social goals. Every organization has some objectives and every part of it should contribute directly or indirectly to the attainment of desired objectives." The purpose of formal structure is to enhance the efficient functioning of the organization. The formal structure is partly delineated by the organizational chart, which shows the primary areas of authority and responsibility and the reporting relationship (Robert 2002).

The advent of scientific management as main subject of learning in management and administration sciences and latter on it gave birth to personnel management and then a new form of subject Human Resources Management was introduced throughout the last century. According to Ian *et.al.* (2004) "The origin of (HRM) human resource management may be traced back to the 1930s in the United States. By the early 1980s a number of US analysts were writing about HRM human resource management and devising models and explanations for its emergence." Singer (1990) and Ian *et.al.* (2004) have defined that the "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."

The original US prescriptions of the early 1980s have become popularized and absorbed in a wide variety of economic settings; "there are very few major economies where the nature of human resource management, to include its sources, operation and philosophy, is not actively discussed" Ian *et.al.* (2004). Many of the scholars have defined HRM in a very simple way and they have elaborated the use of HRM in modern organizations. Hilary

elaborates HRM in a very simple manner, "Every organization has to recruit workers, deploy them, pay them, motivate them and eventually arrange for their departure" Hilary Harris *et.al.* (2003).

Khilji, (2004) in her study explores the values of employees and organizations in Pakistan. Khilji (2004) used 100 interviews and 303 questionnaires from six organizations to investigate the process and outcome of revamping HR systems in order to develop a new organizational culture. Findings show that the younger employees in particular have experience of a transition in their value system; and that they expect a different set of HR practices. Through the above literature review the following objectives for further study are set to be investigated.

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 human resource management practices in the overall satisfaction of employees.

METHODOLOGY

In this survey 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 culture on human resource management practices.

Such questions are 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.

Likert scale with ratings given below was used to evaluate responses:

- 1= No Difficulty
- 2= Slight Difficulty
- 3= Moderate Difficulty
- 4= Great Difficulty
- 5= Extreme Difficulty

SELECTION OF SAMPLE SIZE

Due to specific population, the number of respondents those returned the questionnaire from Pakistan International Airline Corporation (PIAC) is N=244 which is 81% of total sent questionnaire to 300 employees of the departments of Marketing, Management, Technical, and Supporting staff simultaneously.

HYPOTHESES

In the light of above objectives, the following hypotheses were formulated:

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:

The demographic characteristics of the survey are shown in the following figures:

Figure-1
GENDER-WISE DISTRIBUTION OF RESPONDENTS

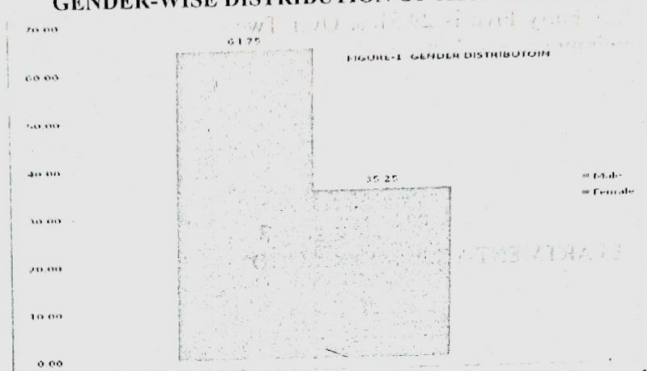


Figure- 1 shows the gender distribution of the PIAC sample (n=244) who were the respondents in the research. The above figure is showing that the majority is based on the male respondents i.e., 64.75% of the total respondents. The remaining 35.25% consist of female respondents. The difference in the gender representation is because; the male employees are big in number than female working in PIAC.

Figure-2
AGE-WISE DISTRIBUTION OF THE RESPONDENTS (PIAC)

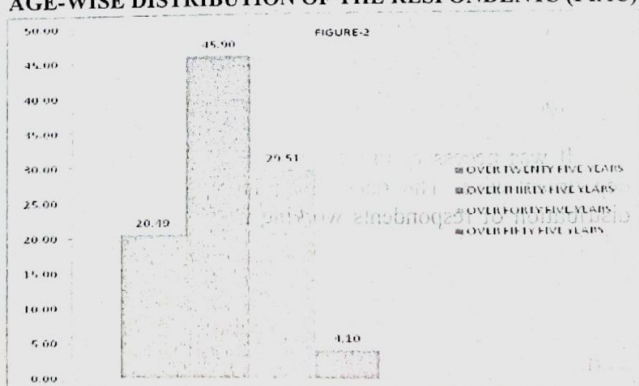
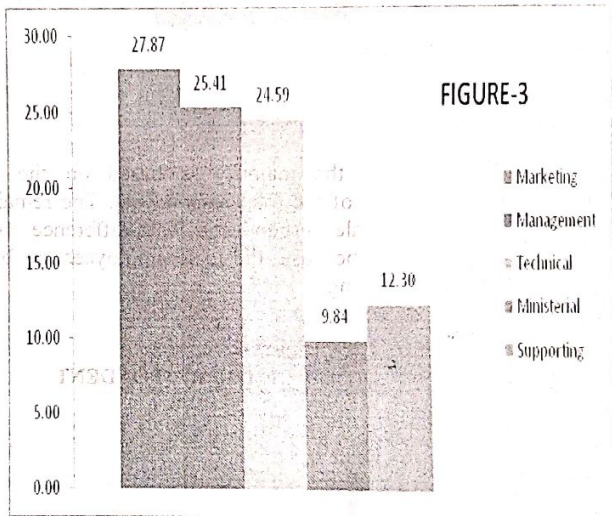


Figure- 2 shows that the majority of the respondents lying in the age group of Over Thirty Five is 45.90%. The age group of Over Forty Five is 29.51%, Over Twenty Five, 20.49% and the minimum respondents are Over Fifty Five years, which is 4.10%. The larger numbers of respondents are in the age group of Over Thirty Five years are working in PIAC. Therefore, the data analysis shows that the majority of the respondents are based on the young employees.

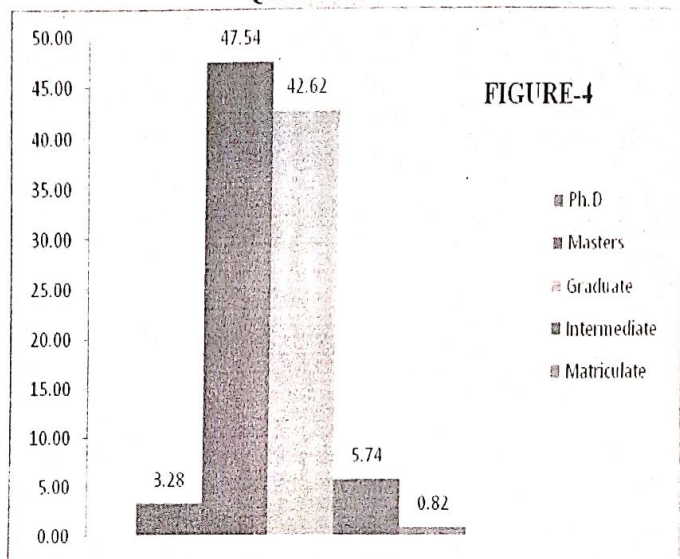
Figure-3

DEPARTMENT-WISE DISTRIBUTION OF THE RESPONDENTS



It was necessary to categorize the respondents according to department-wise. The data which is shown in the Figure-3 is distribution of respondents working in different departments. In this figure the 27.87% respondents are in marketing, 25.41% in the management, 24.59% in technical, in supporting 12.30% and in ministerial 9.84% employees. The majority of respondents comprises of marketing, management and technical departments staff.

Figure-4
DISTRIBUTION OF RESPONDENTS ACCORDING TO
QUALIFICATIONS



The majority 47.54% of the respondents is having master degree, the graduates are 42.62%, the intermediates are 5.74%, and matriculates are 3.28%. It is analyzed that some of the respondents also having Ph.D degree (0.82%). PIAC is the organization which is facing the high competition in the international market so that it considers employing the highly qualified candidates to meet the market competition.

RESULTS AND DISCUSSION

Table-1
SOCIO-CULTURAL ADAPTATION SCALE- (PIAC)
ANOVA OF ROWS

ANOVA: ROWS					
ITEMS	Count of columns	Sum	Average	Variance	SD
Q 1	5	244	48.8	719.2	26.82
Q2	5	244	48.8	825.2	28.73
Q 3	5	244	48.8	1149.2	33.90
Q 4	5	244	48.8	1423.2	37.73
Q 5	5	244	48.8	1031.2	32.11
Q 6	5	244	48.8	663.2	25.75
Q 7	5	244	48.8	553.2	23.52
Q 8	5	244	48.8	975.2	31.23
Q 9	5	244	48.8	89.2	9.44
Q 10	5	244	48.8	7.2	2.68
Q 11	5	244	48.8	713.2	26.71
Q 12	5	244	48.8	127.7	11.30

The above table -1 is showing three different ANOVA results. The first Anova of ROWS is showing the average, variance and standard deviation (SD) of 12 questions asked on Likert Scales. Accordingly the Q4 is showing a high average and SD and Q10 a low average and SD, which means that Q4 *Understanding Cultural Differences* 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.

Table-2
SOCIO-CULTURAL ADAPTATION SCALE- (PIAC)
ANOVA OF COLUMNS

ANOVA: COLUMNS				
ND	12	478	39.83333	214.8788
SD	12	759	63.25	440.9318
MD	12	744	62	370.9091
GD	12	569	47.41667	548.0833
ED	12	378	31.5	600.8182

The Table-2 ANOVA COLUMNS 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 above table depicted the highest average to SD which is 63.25 and lowest average to ED 31.5.

Table-3
SOCIO-CULTURAL ADAPTATION SCALE- (PIAC) ANOVA

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	9175.767	4	2293.942	5.271923	0.001147	2.539689
Within Groups	23931.83	55	435.1242			
Total	33107.6	59				

The Table-3 ANOVA part is showing the P-value which is tested on the 5% significance level. The p-value is .00114 which is less than the significance level (.05), so the null hypothesis is rejected, because the p-value is not equal or more than level of significance but it is less than the level of significance. Therefore, we can reject the null hypothesis and the result is statically significant. This result also showing F- test result as 5.27 is high than the F.crit (2.5) which justify that the null hypothesis is rejected.

Table-4
CORRELATION BETWEEN COLUMNS

	ND	SD	MD	GD	ED
ND	1				
SD	-0.03411	1			
MD	-0.19965	0.761608	1		
GD	-0.42362	-0.6484	-0.58553	1	
ED	-0.00734	-0.81539	-0.75952	0.313753	1

The results in Table-4 are showing only two variables having positive correlation and most of the others are showing negative or inverse correlation. The correlation between SD and MD is showing positive correlation, which means that increase in one variable will also bring positive effect on other variable because the correlation coefficient is 0.761 in this above result of SD and MD. The other positive correlation is between GD and ED that is 0.313.

The PIAC with its own organizational culture is visible through this behavior of the employees with performance and practices. Though the employees are from various ethnic and multiple languages of Pakistan but they all have to adopt the organizational culture which is necessary for employee's performance and organizational result to achieve the goals. It is also a fact that PIAC's HRM department is under the political influence and all successive governments have used this organization to give employment to their supporters. Since this organization is facing problems of overstaffing and budget deficits, therefore, the role of HRM is minimized in recruitment, training, promotion and evaluation in many departments and its impact is very negative on the organizational performance as a whole.

CONCLUSION

PIAC is a big public organization where thousands of the employees are working together belonging to different ethnic background, languages and culture but they all have to adapt the organizational culture to carry on their role successfully. The ANOVA results have rejected the Null hypothesis and accepted the alternate hypothesis which support that the socio-cultural

adaptation in organization is statistically significant for the organizational development. 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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