



International Journal OF Engineering Sciences & Management Research
IMPACT OF TECHNOLOGY AND CULTURE ON HUMAN RESOURCE
MANAGEMENT
Maitreyi Gupta*

ABSTRACT

The basic aim of this study is to present and examine environmental factors affecting human resource activities with prime focus on impact of technology and culture. Factors that affect human resource management (HRM) activities are divided into two, as internal and external elements. The data for the research were gathered by consulting various research papers, books and online sources. Accordingly, it was inferred that companies take these internal and external elements into consideration in a high or at least moderate level in general. HRM activities are closely integrated with environmental elements, which, should always be considered. Moreover, technological changes and culture have a profound impact on human resource management and must be carefully analyzed while framing the HR policies of an organization.

INTRODUCTION

There are many studies about the relation between environmental factors and business activities since 1950's. Equally, there are also many researches and articles on human resource management (HRM) and environmental factors link. In these studies (e.g., Kane & Palmer, 1995; Buller, 1988; Cascio, 1993; Jackson, Schuler, & Rivero, 1989; Jain & Murray, 1984; Tiwari & Saxena, 2012), the following environmental elements were generally linked with HRM activities, in terms of the source of pressure or any type of influence from inside and outside:

The internal environment of HRM function may include organizational mission/purpose, organizational strategy/objectives, actions of corporate headquarters, size of an organization, structure of an organization, history/traditions/past practice, priorities of top management, priorities of line managers, issues of power and politics, impact of HRM theory, research and writings, impact of education and training in HRM, impact of overall HRM strategy, and cultural and political characteristics of employees. Equally, the external environment of HRM function may include changes in international economy, changes in technology, changes in national economy, national culture and traditions, industry/sector characteristics, legislation/regulation, actions of unions, actions of competitors, and impact of professional organizations, HRM staff's experiences in other organizations, and general education policies and implementations.

Technology and culture are one of the two most important external sources having a significant impact on human resource management. These two factors and their impact have been discussed in detail in the remaining part of my article.

In the first part of the paper, related literature is discussed. Then, in the second part, the analysis and recommendations have been put across and finally, a general conclusion has been presented.

OBJECTIVE OF STUDY

The objective of the study is: To study the impact of technology and culture on Human Resource Management.

REVIEW OF LITERATURE

The literature on human resource management and organizational environment relationship is becoming widened continuously. There are many studies about the "strategic" dimension of human resource (Barney, 1995; Barney & Wright, 1997; Miles & Snow, 1984; Schuler & Jackson, 1989; Truss & Gratton, 1994; Wright & McMahan, 1992), which mainly discussed the importance of it, in terms of completing organizational strategies. In connection with this, there are many writers who focused on the environmental factors affecting human resource

management practices (Kane & Palmer, 1995; Buller, 1988; Cascio, 1993; Jackson, Schuler, Rivero, 1989; Jain & Murray, 1984; Powell, 1990; Schuler, 1990; Sparrow, 1994; Terpstra & Rozell, 1993; Tsui & Milkovich, 1987; Wright, McMahan, & McWilliams, 1994).



International Journal OF Engineering Sciences & Management Research

Kane and Palmer (1995) discussed the importance of environmental factors, especially the role of strategy in human resource (HR) practices of firms in Australia. Accordingly, they found that, the overall human resource management (HRM) strategy has only a relatively minor impact on HRM practices, when compared with other factors.

Ulrich (1998) discussed that HRM function has several roles in an organization; which is a strategic partner that integrates business and HR strategies; develops and strengthens business processes and provides essential HR services; satisfies personnel for their demands; increase organizational effectiveness and efficiency by creating change processes.

Bingöl (2006) pointed out that technological developments require flat organizational structures to allow highly qualified personnel demonstrate their creativeness. Accordingly, firm managements employ staffs who are knowledgeable about information technologies; as a sign of changing HRM policy and strategy.

Kane and Palmer (1995) pointed out that especially the prevalent usage of microprocessor based technology, affects recruitment, staffing, the knowledge, skills and abilities of workforce.

Tiwari and Saxena (2012) pointed out that technology provides new methods for HRM practices.

DeFillippi (2002) suggests that technology alters the roles of human resource.

Pettigrew (1979) examined some of the concepts and processes related with the creation of organisation culture and hence with the birth of organisation. The author collected the data from the staff and students of a private British boarding school. The research design involved analysis of sequence of social dramas that were likely to provide an insight into the emergence and development of organisation cultures. The author further discussed how purpose, commitment and order were generated in organisation through feelings and actions of its founder. The author further observed that an amalgam of beliefs, ideologies, language, ritual and myth leads to creation of new cultures in organisation.

Peter and Waterman Jr. (1982) discussed psychological theory providing a link between organisational culture and business performance. They pointed out that leadership and organisational culture were tightly intertwined. It was observed that it is the culture that accounts for the unusual effort on the part of ordinary employees.

Cox (1993) discussed that cultural differences influence the organisational performance of a firm by a complex interaction between individuals and environment. The environment can be considered as the sum of organisational and group forces.

Smirich (1983) explained the importance of concept of organisational culture for organisational analysis. The review revealed how the different conceptions of culture held by organisational analysts gave rise to different research questions. Thereafter the assumptions underlining the numerous ways of use of concepts of organisational culture in organisation studies were examined. The author observed that culture theory and organisation theory overlap each other as is evident in five current research themes viz. comparative management, corporate culture, organisational cognition, organisational symbolism and unconscious process in organisation.

Gilbert, Stead & Ivancevich (1999) discussed that group assumptions can affect motivation and satisfaction degrees as well as behaviour and results of individuals. Besides, the individual level can influence the organisational dimension, in terms of quality, productivity, absenteeism, turnover, profitability and market shares. Together with these indirect effects, it is possible to stress a direct impact of cultural divergence on organisational performance. More precisely, the degree of diversity, within formal and informal structures of an organisation, affects creativity levels, problem solving capabilities and intra organisational communication.

Wilkins and Ouchi (1983) explored the relationship between culture and organisational performance. The authors argued that the organisations that develop a distinct local culture or clan with particular properties will have significant performance efficiencies, but only under certain conditions such as long history and membership. While pursuing these themes for different purposes, researchers make different assumptions about

International Journal OF Engineering Sciences & Management Research

nature of culture and organisation. Therefore, the author felt that evaluation of strength and limitations of the concept of culture must be conducted within an assumptive context. The author pointed out that culture concept is quite suggestive and very promising for different ends that the researchers pursue. The author discussed the problems associated with changing organisation culture and argued that cultures are more adaptive than they are thought to be.

Denison (1984) investigated the impact of organisational culture on organisational performance in 34 large American companies. The financial data was obtained using Standard and Poor's statistical service, COMPUSTAT. The primary data was collected using the survey of organisations questionnaire which is a standardised one-125 item questionnaire. The analysis of the response of over 43,000 respondents revealed that strong participative cultures lead to better performances at workplace.

Newman and Nollen (1996) pointed out that work teams can achieve better results if their management practices are compatible with national cultures. In order to develop human capital results and improve firm performance, companies should adapt their HRM practices to the culture of the host country.

Bingöl (2006) stated that firms should consider the values, myths, behavioral types, rituals, and expectations of society, when they are identifying HRM policy and strategies. Thus, organizations would be stronger in competition. Equally, if institutions put the ethics of people into account, it would be easier for them to behave in socially responsible way.

Kane and Palmer (1995) cite the linkage between the differences of HRM practices and national cultures.

Tsui and Milkovich (1987) examined the multiple constituency approach, which explains the practice of human resource department through client expectations.

Tiwari and Saxena (2012) argued the link between national culture and HRM activities.

Chandrakumara and Sparrow (2004) achieved the result that, national culture is one of the important elements which determine organizational perspectives in establishing structure for effective HRM practices.

IMPACT OF CHANGES IN TECHNOLOGY ON HUMAN RESOURCE MANAGEMENT

Changes in Technology- Introduction

Changes in technology could provide more appropriate infrastructure for mental and physical human health. To put it another way, any development in science and so, technology would make it possible to set up a better organizational substructure. Moreover, with this type of progress, also the incomes of business organizations will grow, which can be expected to improve the wages and salaries of employees.

The increase in the number of technological alternatives or innovation in business functions might create a positive image for firms which can increase revenues. Furthermore, changes in technology can make it possible to have improved human resource functions such as selection, recruitment, educating, training, performance appraisal or observing, determining wages and salaries. In addition, international developments in human resource management (HRM) can be learned faster; and, be implemented. Besides, all of the human resource functions can be practiced in a more effective way.

However, changes in technology can also have negative impacts on human resource policies. This type of circumstance can decrease the need for labour, which can result in a lower employment level. As a result, the demand for qualified workers would be higher, so educating and training costs will increase. Also, policies, such as encouragement for retirement could take place more dominantly, which increases the spending of social security.

At the same time, technological developments can make some employees functionless, who are very valuable in conventional or old style manufacturing. Therefore, some workers can become low-spirited, and can be put out of organization by retirement, breaking contract, or other ways. This can be called as social costs of technological developments. On the other hand, the need for qualified workers for using technology can increase personnel spending.



International Journal OF Engineering Sciences & Management Research

Challenges faced

Challenges of HRM in Modern Management

Technological advances is a challenging task of adapting workplace to rapid technological changes which influence the nature of work and generate obsolescence. Advanced technology has tended to reduce the number of jobs that require little skill and to increase the number of jobs that require considerable skill, a shift we refer to as moving from touch labour to knowledge work. There is new working technology. New technology creates unemployment and on the other hand, there comes scarcity of skilled manpower.

Information Technology (IT) as a structural factor and instrument transforms architect of organizations, business processes and communication, and is increasingly integrated into HRM. While IT has impact on HR, at the same time managers, employees, customers and suppliers increase their expectancies for HR functions. The importance of knowledge and human capital make extra suppression on HR functions and new competences for HR professionals are expected.

Challenges of Information technology on HR Function

Information technology hinders the HR function in the following areas-

- New skills required
- Downsizing
- Collaborative work
- Telecommuting
- Internet and intranet revolution
- Business environmental change
- Development of technology
- Service improvement

How technology enables HR to evolve to business execution

Business execution represents the strategic side of HR. HR's ability to increase business execution is the primary reason why HR matters to operations leaders.

One reason HR organizations struggle when it comes to business execution is it is harder to support than personnel administration. Personnel administration is largely about implementing well defined and efficient processes (e.g., ensuring the proper information is collected when enrolling employees in a health care benefits program). In contrast, business execution requires predicting and changing employee behaviour (e.g., identifying employees who have the potential to become future business leaders and giving them assignments that allow them to realize this potential).

Two things are required for an HR organization to effectively support business execution.

1. **Expertise** — The HR organization must have expertise in methods for predicting and changing employee behaviour. For example, understanding how to use goals to motivate employee performance or being able to measure employee performance in a way that allows the company to accurately predict future potential.
2. **Implementation** — The HR organization must be able to efficiently deploy its business execution expertise across the organization. It does not matter if the HR department knows how to increase employee performance if the department cannot effectively share this knowledge with the line leaders who actually manage employees.

Technology has and continues to play a pivotal role in enabling HR organizations to move from personnel management to business execution. To illustrate this process, let's take a look at four different "generations" of HR that have emerged over the past 20 plus years.

- **Pre 1990 Generation: "Personnel Administration."** Prior to 1990, many HR organizations were almost entirely focused on personnel administration. This was due in part to the sheer amount of time required to manage administrative HR processes before the widespread implementation of HR automation technology. In fact, prior to 1990 many HR organizations were not even called "human



International Journal OF Engineering Sciences & Management Research

resources.” Instead, they had titles such as Office of Personnel Administration or Personnel Department. The main focus of HR in this generation was on how to efficiently process employee paperwork.

- **1990 to 2000 Generation :“Human Resources.”**Two things happened in the 1990s that led to personnel management being redefined as “human resources.” First, implementation of ERP technology significantly reduced the time needed to perform administrative HR tasks. This freed up HR organizations to focus more on business execution topics. This led to significant advances in the expertise found within HR related to predicting and changing employee behaviour. Many of the talent management techniques we now take for granted were largely developed in the 90s (e.g., action learning, competency modelling, structured interviewing, goal setting). Second, the widespread adoption of personal computers made it possible for HR organization to utilize more sophisticated talent management techniques to support key talent decisions.

For example, using computer based tools for and forms for evaluating employee performance and assessing job candidates. Throughout the 90s the focus of HR steadily shifted beyond personnel management to include processes designed to improve the quality of workforce decisions (e.g., determining who to hire, proactively managing employee turnover, or using job goals to drive employee development).

- **2001 to 2010 Generation: “Talent Management.”** Widespread adoption of Internet systems in the 2000s allowed HR organization to more efficiently share data across what had previously been independent HR processes. For example, automatically importing data collected during the hiring process into systems used to support employee development and management.

Greater access to data enabled HR to shift from focusing on specific employee decisions to aligning talent management processes. No longer was HR limited to being a series of isolated silos focusing on staffing, training, compensation and succession. Now HR could function as a set of integrated talent management processes designed to ensure a steady supply of high performing talent in critical job roles.

- **2011 to present day Generation: “Business Execution.”** As companies increasingly adopt cloud computing applications, HR organizations are spending less time maintaining in-house talent management tools and more time on how to most effectively use these tools to increase workforce productivity. The shift to the cloud also enables HR technology vendors to invest more resources into creating highly scalable, user friendly applications that embed HR expertise in tools that are accessible to line managers. This allows HR professionals to shift their energy from managing processes to actively supporting business execution. HR is focusing less on simply keeping track of who employees are, and more on ensuring these employees are being used effectively to support the company’s short and long-term business strategies.

The impact that cloud based business execution technology has on HR can be likened to the impact that global positioning satellite (GPS) technology has on the use of street maps. It allows companies to take information off of shelves where it was rarely accessed and put it in the hands of decision makers when they need it in a format they can readily use. The result is an increasing number of HR organizations that are fundamentally and profoundly improving how line managers run their businesses.

Turning HR into a Business Execution department

While technology plays a critical role in enabling the transformation of HR from personnel management to business execution, technology by itself does not create this change. HR leaders must effectively use this technology to drive more business relevant conversation with line leaders.

Rather than asking operations leaders about HR topics such as employee engagement or leadership development, HR professionals must start conversations by asking line leaders about what it is they need people to do. What kinds of people do they need in the company to support the company’s growth strategies? What do

International Journal OF Engineering Sciences & Management Research

they need employees to do differently tomorrow from what they are doing today to effectively drive new business initiatives?

Running a business requires doing three things:

- **Defining Strategy** — Figuring out what you need to do to succeed.
- **Managing assets** — Securing the capital & resources required to support the strategy.
- **Driving business execution** – Building and managing the workforce to effectively leverage company assets to deliver strategic objectives

Defining strategy is commonly owned by the CEO of the organisation and the marketing department. Managing assets is often owned by the finance department and supply chain. HR, for perhaps the first time in its history, now has both the knowledge and tools needed to play a true leadership role in driving business execution.

The next step is for HR leaders to take ownership of this role. They now have the tools and knowledge; they just need the courage and conviction to use them.

The new age concept- Human resource Information System

After reviewing the many definitions of an HRIS, Kavanagh et al. (1990) defined it as a system used to acquire, store, manipulate, analyze, retrieve and distribute information regarding an organization's human resources. An HRIS is not simply computer hardware and associated HR related software. Although an HRIS includes hardware and software, it also includes people, forms policies and procedures and data.

The purpose of HRIS is to provide services in the form of accurate and timely information to the users of the system.

IMPACT OF CULTURE ON HUMAN RESOURCE MANAGEMENT

Culture - Introduction

Culture may affect human resource management activities in terms of transferring related national characteristics to the business life. Behavioural types or attitudes of top managers and human resource managers are under the influence of local culture therefore it has direct or indirect impacts on human resources activities. In countries that are more closed to the entire world, firms could have HR activities which are more affected by national characteristics, but this is related to the size, institutionalization level and international operations of those firms. The countries that are fully integrated to the international business and economics should have firms which are more open to the impacts of universal culture. Large firms are expected to be more open to international impact, because, this is essential for them to operate in foreign markets.

Culture also affects HRM activities by changing ways of response of management for local sensitivities. Cultural values should be taken into consideration by firms so as to not to confront public reaction for their actions.

Definitions of Culture

The concept of culture, notwithstanding its ambiguity, is used by laymen and social scientists alike in their efforts to explain behaviour. That such explanations are often based on impressions and stereotypes does not deter the layman any more than it does the social scientist from using the concept.

Classified in such categories as descriptive, historical, normative, psychological, structural, and genetic.

A small sample of the types of definitions they list is as follows:

Benedict: "that complex whole which includes all the habits acquired by man as a member of society."

Boas: "Culture embraces all the manifestations of social habits in a community, the reactions of the individual as affected by the habits of the group in which he lives, and the products of human activities as determined by these habits."



International Journal OF Engineering Sciences & Management Research

Malinowski: "It [culture] obviously is the integral whole consisting of implements and consumers' goods, of constitutional charters for the various social groupings, of human ideas and crafts, beliefs and customs."

Kroeber: "the mass of learned and transmitted motor reactions, habits, techniques, ideas, and values - and the behaviour they induce - is what constitutes culture."

Sapir: "culture is the socially inherited assemblage of practices and beliefs that determines the texture of our lives".

The Normative Dimension

In the interest of facilitating research on the relationship between culture and organizational systems, I shall select what Kroeber and Kluckhohn refer to as the "normative " dimension of culture, namely, that which deals with values and norms - conceptions of what is desirable and prescriptions or proscriptions of conduct - that guide or affect behaviour.

This dimension of culture has been the focus of research attention by several social scientists in recent years, especially Osgood (1964; 1971), Triandis (1972), and Geertz (1964). According to Triandis, "subjective culture" is "a cultural group's characteristic way of perceiving the man-made part of his environment. The perception of rules and the group's norms, roles, and values are aspects of subjective culture."

Problems of Measuring Culture

There are few research instruments that purport to measure the normative aspects of culture and that can be adapted to cross-cultural research on organizational systems. A major obstacle to the design of such instruments is to reduce culture-bound assumptions to a minimum - if eliminating such assumptions is impossible. The principle of "functional equivalence" in measuring instruments, developed by Przeworski and Teune (1970) in the course of a four-nation study of values in community leadership, will probably prove useful for future designers and redesigners of research instruments measuring cultural variables.

According to this principle, it is neither necessary nor advisable to use identical sets of questions in diverse cultural settings if they do not have identical meanings. One can use different items in different cultures provided one has evidence that different indicators refer to functionally equivalent concepts, such as norms and values.

For example, if one is interested in measuring how people evaluate time in the course of a day's activities, one obviously need not ask whether respondents own watches, look at clocks, or ask others for the time in the course of the day. Functionally equivalent indicators might be questions pertaining to checking a sundial, looking at the position of the sun in the sky, and feelings about lateness in performing a work role or in meeting people.

Culture is associated with specific ethnic groups (e.g., Chinese culture); however, it can be applied to specific religious groups (e.g., Jewish groups), specific regional groups (e.g., culture of the US South), and specific institutions (e.g., military culture). Each of these groups has rules of conduct and a language that includes a specific set of symbols and norms within the group. Thus, one needs to be aware of potential difficulties or bias when choosing or developing instruments across different cultures. Response style is significantly related to the language in which questions are posed. In conclusion, use of a measure from one culture to another requires attention to the cultural relevance.

Culture and the HR Cycle

Culture impacts on every stage of the HR cycle, from selection and recruitment, to feedback, evaluation, coaching, and exit interviews.

Cultural miscommunication can occur for every different aspect of the HR cycle, be it at stage of selection, feedback, evaluation or any other aspect.

For example- Exit interviews with no new information because the employee does not want to cause the company to lose face. An overly complimentary evaluation leading to an employee's embarrassment and withdrawal from the work team. Each of these represents more examples of what may happen when communicating across cultures.

International Journal OF Engineering Sciences & Management Research

Organizational Culture and Recruitment cum Selection

Accurate employee selection decisions have never been more important to organizational success. Organizations need quality staff that can operate in an environment of increasing complexity and change. Also, in a business environment where intellectual capital increasingly represents an organization's currency of trade, it is people that create and sustain an organization's competitive advantage.

Hiring the wrong person for the job can be costly. The time and expenses associated with advertising, agency fees, interviewing candidates and the negative long term financial and non-financial implications of hiring the wrong person make finding and hiring the right person critical. Traditionally, organizations have focused on identifying and selecting people based on their skills and experience. It makes sense if one can find person who has the right set of skills and has done a similar job. There is a good chance that they will be able to perform effectively in a new role. Though skills and experience continue to be important, practice however pointed to motivational fit as a key differentiator in the selection process. Chartman, (2001) defines motivational fit in two distinct ways, i.e. **job fit motivation** and **organization fit motivation**.

Job fit motivation is the degree to which the activities and responsibilities of a particular job are consistent with the activities and responsibilities that an individual finds personally satisfying while organization fit motivation is the individual's compatibility with an organization's values and mode of operation. Organizational fit covers a range of organizational attributes which is the most common and frequently cited element that centers on the congruence between individual and organizational values. It is also called 'culture fit'. While these two constructs play important roles in making effective hiring decisions, Cable and Judge, (1996) believe organizational fit increasingly represents the key. Most times, organizations fail to consider motivational fit and in particular organizational fit. However, as a result of increasing complexity, change and employee demands, information about organizational fit can help organizations make better hiring decisions. Numerous research results illustrate the importance of the congruence between the values of the individual and the values and culture of the organization.

The importance of recruiting for culture fit cannot be overemphasized because of its impact on making good recruitment decisions is supported by the impact of poor culture fit decisions. It helps to reduce absenteeism and turnover. Also, assessing for fit helps the organizations increase employee satisfaction and morale, which leads to better performance and productivity. Motivated employees are more likely to take charge of their own performance, seek ways to improve processes, products and services and contribute positively to their organization's bottom line success. Because job dissatisfaction is the leading cause of voluntary turnover and is directly linked to lower productivity and morale, it makes sense to consider and assess for fit during the recruitment process. Thus, the importance of values and values integration throughout the recruitment process is imminent.

Moreover, the following recommendations for integrating culture fit were summarized from literature, these include:

- a) Ensure that every manager and individual in the organization is adequately trained in recruitment practices including behavioural interviewing, motivational fit concepts and interpretation of recruitment data.
- b) Describe values in behavioural terms and use behavioural based questions to assess suitability. It also includes identifying competencies that align with the core values and ensure that the interview questions are constructed to address these.
- c) Use tools like Realistic Job Previews or Day in the Life profiles to help applicants self-screen. These ensures applicants better understand the dynamics of a particular job and organization and make decisions early enough about suitability for the position and many applicants may self-screen themselves out of the recruitment process.
- d) Utilize motivational fit tool. These involve three steps:
 - (i) Analyze the job and organizational characteristics that are present or absent in the role and the organization to determine a job and organization profile.
 - (ii) Ask prospective employees to complete a motivational questionnaire to provide information about characteristics they will find appealing or disappealing in an ideal organization and job.
 - (iii) Compare the organization and individual profiles to determine suitability and fit.



International Journal OF Engineering Sciences & Management Research

However, in order to meet the organizational objectives and achieve competitive advantages, all organizations are thriving to recruit highly performing individuals. On the other hand, individuals need supportive organizational culture to help them reach individual objectives.

Thus, an organization is a consciously coordinated system where characteristics of individuals, groups and organization interact with each other and effective interaction among them highly depends on organizational culture that shapes the individual performance, (Kozlowski and Klein, 2000). Carr, Schmidt, Ford, and DeShon, (2003) submitted that the culture of an organization has direct relationship with the performance appraisal system, compensation, employee motivation, training and development, flexible time system, organizational structure, employee satisfaction, etc.

Organizational culture and Training cum Development

Training is the planned efforts by an organization to facilitate employee's learning of job-related competencies. These competencies include knowledge, skills or behaviours that are critical for successful job performance.

Training and development help in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals (Adeniji, Osibanjo, and Abiodun, 2013). It also helps to develop and improve the organizational culture within the organization through building the positive perception and feelings about the organization.

Training and development helps in creating a better corporate image, thus aid in organizational development, i.e. organization gets more effective in decision making and problem solving which helps in understanding and carrying out organizational policies. Training and development demonstrates a commitment to keeping employees on the cutting edge of knowledge and practice.

Creativity and innovation also trigger the performance of employees and facilitated by organizational culture which training and development programmes provide. Tushman and O'Reilly (2002) stated that organizational culture lies at the heart of organizational norms that reflects the influence of organizational culture on creativity and innovation. It also plays an important role in creating such an environment that enables learning and innovative response to challenges, competitive threats or new opportunities. Thus, creating and influencing an adaptive culture is one of a manager's most important jobs and which training and development programmes avail the opportunities (Daft, 2010).

Precise information and applicable knowledge usually made available via training and development always assist performance, whereas erroneous information and irrational knowledge are likely to do the opposite, (Feldman and March, 1991; Daft and Weick, 1994). Not only that, cultures provide cognitive frameworks through which people interpret what they observe and experience and provide language and referents to use in communicating with others, (Wilkins and Ouchi, 2003). Culture through the different training and development activities contribute schemes and scripts that can affect performance by providing pre-existing ways of understanding what is occurring, how to evaluate it and what sequences of actions are appropriate to the situation (Lord and Foti, 1996).

According to Siegal and Sussman (2003), gaining competitive advantage which surrounds knowledge adoption and helps to integrate the organizational culture and social presence can actually explain information sharing process which comes via training and development programmes.

Organizational Culture and Performance Management

Organizational development has certain factors that improve sustainability on the basis of effectiveness. The improvements in productivity lead to employee commitment as norms, values and objectives help in improving culture of an organization.

The performance of employees improves by establishment of strong culture of an organization. The employee performance is considered to be the backbone of the organization as it leads to the growth and development of organization. Thus, the loyalty of employee relies upon knowledge and awareness of culture that improves behaviour of organization, (Brooks, 2006). The awareness of quality helps in improving organizational and employee development.

International Journal OF Engineering Sciences & Management Research

The degree of an achievement to which an employee fulfils the organizational mission at workplace is what is referred to as performance, (Cascio, 2006). The performance measurement system helps in improving organization association to achieve goals and objectives at an effective manner (Richardo, 2006). The strategic planning based upon development of goals and objectives help organization to focus non-financial otherwise known as intangible assets, while quality, performance and services linked with customers have financial nature, (Kaplan and Norton, 2011). The measurement of performance based upon financial and non-financial performance leads to competitiveness, (Chenhall, 2005).

The strategies based upon well designed human resource development policies and programmes help in making culture more effective. Kaplan and Norton (2011) defined four casual relationships between performance management and culture as the learning growth, customers, internal business process (from efficient and effective human resource development activities), and financial reward management systems, all of which help in improving and presenting casual relationship. The culture and performance have been interrelated to each other based upon perfect association between business processes, (Reichers and Schneider, 1999).

Several researches had been carried out to evaluate performance of organizations based upon efforts as culture had been given significant association. The four contributions on culture defined include; power distance, individualism, uncertainty avoidance and masculinity.

Power distance is the degree of employee and management behaviour that have been based upon perfect relationship between formal and informal set of planning action and individualism is the dimension of difference between organization interest and self-interest. The uncertainty ambiguity based upon tolerance helps in mitigating willingness of people, while masculinity comes in avoidance of caring and promotion than level of success based upon challenges and ambition.

Culture and performance were considered interrelated to each other by nature and scope of culture. The competitive advantage of an organization is attained through strong association and establishment of culture. The organization culture helps in measuring limitation to overcome performance measurement, (Rousseau, 2000).

According to Brooks (2006), the job performance of organization has a strong impact of strong organization culture which leads to enhanced productivity, and that the productivity and culture of organization helps in improving performance.

Organizational Culture and Compensation Administration

Compensation administration is a segment of management or human resource management that focuses on planning, organizing and controlling the direct and indirect payments employees receive for the work they perform. Compensation comprises of direct forms such as base merit and incentive pay; also indirect forms such as vacation pay, deferred payment, etc.

It is often said that a general model of compensation administration focus on the culture of the organization and encompasses the creation and management of a pay system based on four basic interrelated policy decisions including internal consistency (i.e. the organizational culture), external competitiveness, employee contributions and administration of the compensation programmes. Compensation professionals work with these policy decisions according to the organizational culture and individual corporations' needs keeping in mind the ultimate objectives of compensation administration- efficiency, equity and compliance. Companies develop their individual compensation strategies by placing varying degrees of emphasis on the four policy decision mentioned above including the culture of the organization.

Compensation administrators always seek to achieve internal equity and consistency, i.e. rationalizing pay within a single organization through the analysis, description, evaluation, organizational culture and structure of jobs (Adeniji and Osibanjo, 2012). This requires the compensation administrator to compare job titles, skill levels together with the culture of work and remuneration to determine the contributions that employees with different jobs and titles make towards accomplishing company objectives. Thus, compensation administrators should consider internal consistency when determining pay rates for employees who do the same work and employees who do different works in accordance with the culture on ground in the organization. **The different values organizations have for employees with different jobs and skill levels reflect the culture of the**

International Journal OF Engineering Sciences & Management Research

organization. The internal consistency depends on how a company is structured which reflect the structure and culture of the organization. The pay structure of an organization is its range of pay rates for different jobs and skill levels within the organization. In other words, that pay structures reflect corporate culture.

Moreover, the following are the primary but interrelated factors that can shape a company's pay culture:

- **Social customs-** economic forces alone do not determine wages but the current notion of a federally mandated minimum wage which evolve from the employee demanding a just wage which always go with the remuneration culture of the organization on ground. Thus, this suggests that the organizational culture has a positive relationship with the compensation administration.
- **Job requirements-** some jobs may require greater skills, knowledge or experience than others, hence attract a higher pay rate.
- **Employee Acceptance-** employees expect fair pay rates and compare their wages with their co-workers and supervisor's rate of pay. If they consider their par rates as unfair, they may file a law suit, reduce their output or seek employment elsewhere.
- **Employee Knowledge and Skills-** employees bring different levels of skills and knowledge to organizations; hence they can work at different levels of a company hierarchy and receive different rates of pay as a result.
- **Company Factors-** pay structures depend on the kind of technology an organization adopts and whether an organization uses pay as an incentive to motivate employees to improve job performance and to accept more responsibilities.

Not only that, achieving external competitiveness in the area of compensation means balancing the need to keep operating costs low with the need to attract and retain quality workers which is in line with the corporate culture of cost minimization. It is how an organization's rate of pay compares to those of its competitors. Compensation administrators achieve external competitiveness by comparing wage levels within their industry, examining their company's resources and goals, corporate culture and establishing their own pay levels accordingly. Companies can set their pay levels to lead, match or follow competitor's pay practices which are part of a company's culture. An organization's culture of compensation administration involves the weight an organization choose to place on employee performance in determining compensation programmes. Some organizations may choose to pay all employees the same wage while others may decide to reward employee for seniority or productivity.

This approach enables companies to give their employees a measure of control over their compensation and thereby influence their performance. This is a corporate culture that employees are importantly motivated by pay. Several objective methods of compensation for performance have become popular overtime among which include- profit sharing incentive schemes, employee stock option, the bonus scheme, gain sharing scheme and the 13th month pay. These methods of compensation programmes encourage employees to be more cost and efficiency conscious and to be forthcoming in suggestions that can further improve operations.

They tie incentives to increased productivity, quality improvements, time savings and cost savings. These programmes are geared towards making each employee's vested interest in the company clearer and more immediate through their pay check. This is a corporate culture that helps control labour costs because employees do not receive the rewards unless the company performs well.

Going by the aforementioned, compensation administration involves determining whether the pay programmes will attract and retain needed employees successfully, whether employees consider the pay programmes as fair, how competitors pay their employees and how compensation administration help control labour costs which are consistent with the corporate culture.

Overcoming Cultural Differences

The key strategy for working in a culturally diverse organization is to be aware that cultural differences exist. It is impossible to know cultural norms from every different culture represented in your company, but to be aware of the existence of those norms is essential.

"A (manager) who interprets employees from different cultural groups without awareness of cultural norms can miss or misread important signals in their communication," said Prof. Morris.



International Journal OF Engineering Sciences & Management Research

The inability to read these signals can lead to employee dissatisfaction, increased turnover and decreased productivity. If properly managed, culturally diverse workplaces can be more dynamic, more creative and more productive than a homogeneous one, but without cultural awareness, those results will never be attained.

In today's competitive economy it is often a race to find the most talented employees. With the culturally diverse population, these potential employees can come from many different cultural backgrounds. Having the awareness to recruit them, select them and retain them, could be the difference between your organization having that talent, or the competitors benefiting from it.

ANALYSIS AND RECOMMENDATIONS

Technological Changes

There is a need to clearly identify new technology, modern manufacturing processes, ensure quality in production and improve skills of the employees so that they are able to adapt to new environment. By doing so organizations are expected to improve upon their knowledge management function. It is therefore essential to understand new technology paradigm and dovetail skilled human resource in the process to achieve human factor engineering to enable quality product and services are rendered to the society. It is in the light of the above; HR functions are required to be seen to meet the impact of technology.

An organization's technology is the process by which inputs from an organization's environment is transformed into outputs. Technology includes tools, machinery, equipment, work procedures, and employee knowledge and skills. In the present competitive world, technological breakthroughs can dramatically influence an organization's service markets, suppliers, distributors, competitors, customers, manufacturing processes, marketing practices and competitive position. Technological advancements can create new competitive advantages that are more powerful than existing ones.

Beside IT is an important instrument for realizations of HR functions. Use of IT within the HR functions increases effectiveness and efficiency of HR practices, decreases time and costs. Moreover, IT facilitates distributions of information along the organizational hierarchy, it empowers organizational decision making and knowledge management.

New HR process: Self service HR, e-learning and e-recruiting are new processes. These are possible only with IT tools. These new processes regarding effectiveness, efficiency and cost create more value than traditional HR processes do for the organization.

New types of working: Widely use of IT in the business creates new types of works such as teleworking and web based project contracts.

Strategic impact: IT is a very important force for the transformation of HR functions. IT decrease transactional burden on the HR functions. So HR professionals devote more time for the strategic issues to be a strategic partner.

New Competencies: Transforming HR management from administrative functions to strategic focus defines new competencies of successful HR professionals. These competencies are business knowledge, change management and technological competencies.

HR professionals can be unsuccessful in adaptation of IT in business although they know about technology. In order to be an important player in an organization and to create value for the organization HR professionals need to know about business and its environment. Adaptation of IT also changes the routines, business processes and work habits. So HR professionals need to have the competencies of change management. HR managers need also new competencies on IT and more knowledge on facilities of IT before they had in the past. As a result, applications of IT in the HR functions both affect HR practices and make HR professionals develop new competencies.

International Journal OF Engineering Sciences & Management Research

Organizational Culture and Cultural Diversity among Employees

The study shows that national culture positively influences HRM practices. Therefore, it is important for practicing managers to take cultural factor into account in formulating and adopting HRM concept. The reason is that HRM concepts always contain unspoken assumption that is underlying values in the certain society.

Also, there is close relationship between recruitment process and organizational culture (belief, value, and practice). The implication of this for managers or recruiters agency is that recruitment process being the first point of interaction between the organization and the prospective employees could serve as the right avenue to disseminate vital information about the organization to the job seekers. Further, this will enhance the alignment of intending employees with the organizational belief, value, and practices, which attempt to ensure a proper match. Thereby accelerating human capital development within the organization, which tends to reduce labour turnover.

In the same vein, the association that exists between training programmes and organizational value, belief, and practice implies that management or decision makers in institutions should endeavour to incorporate their belief, value and practices in the training and development programme designed for the employees. This will further sustain organizational culture and help employees (new or old) adapt to organization's culture.

The cultural differences existing among employees must also be taken into account while framing the HR policies. The inability to read these signals can lead to employee dissatisfaction, increased turnover and decreased productivity. If properly managed, culturally diverse workplaces can be more dynamic, more creative and more productive. Thus,

- Culture starts with the organization's leaders
- One should create alignment between values and behavior.
- Alignment between business goals and individual objectives is critical to success.
- Focus on learning and development within all levels of the organization.
- Incentivize culture alignment. For example, if customer service is a core value, implement mechanisms to measure such service and reward employees for exceptional results.

CONCLUSION

The rapid technology changes ask for HR professionals to get new skills through education, or sourcing HR Professionals who have IT ability. Owing to the revolution in information technology, the face of the contemporary workplace has changed and systems have been made more effective by introducing new techniques. Majority of the organizations have now understood the importance of information storage and retrieval.

Organizational culture plays a very important role at the time of framing the HR policies. Being familiar with the organizational culture (values, beliefs, and practices) will help employees understand organizational events, thereby helping them to get along with the task at hand rather than wasting time trying to figure out what is expected of them.

Not only the organizational culture but also the varying cultural backgrounds, to which the employees belong, play a vital role in the overall human resource management function of an organization.

To conclude, it can be said that HR practice is becoming more and more challenging day by day. They have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity. Information technology and understanding the organisational culture and cultural diversity among employees is expected to improve the performance of Human Resource Management (HRM) by shifting its focus from administration or personnel management to strategic HRM. The strategic role of HRM adds value to the HR function, and leads the essence of HR function to transform..

REFERENCES

1. Genç, Kurtuluş Yılmaz (2014). *International Journal of Business and Management*; Vol. 9, No. 11, p. 102-103
2. Adewale and Anthonia(2013). *Journal of Competitiveness*; Vol. 5, Issue 4, p. 115-133
3. Evan, William M. *International Studies of Management & Organization*, Vol. 5, No. 1, p. 91-113

International Journal OF Engineering Sciences & Management Research

4. <http://rphrm.curtin.edu.au/2010/issue1/italian.html>
5. Kamal and Kumar (2013). *International Journal on Arts, Management and Humanities*, p. 43-47
6. <http://www.tlnt.com/2011/03/17/the-role-of-technology-in-the-evolution-of-hr/>
7. <http://essay.utwente.nl/59968/>
8. Ardichvili, A. (2002) *Knowledge Management, Human Resource Development, and Internet Technology, Advances in Developing Human Resources*, 4/4, p. 451-463.
9. Baloh, P. and Trkman, P. (2003) *Influence of Internet and Information Technology on Work and Human Resource Management, Informing Science*, June, p. 498-505.
10. Benson, A.D., Johnson, S.D. and Kuchinke, K.P. (2002) *The Use of Technology in the Digital Workplace: A Framework for Human Resource Development, Advances in Developing Human Resources*, 4/4, p. 392-404.
11. Bernik, M., Florjancic, J., Crnigoj, D. and Bernik, I. (2007) *Using Information Technology for Human Resource Management Decisions, Proceedings of the 8th WSEAS Int. Conference on Mathematics and Computers in Business and Economics, Vancouver, Canada, June 19-21*, p. 130-133.
12. Haines III, V.Y. and Lafleur, G. (2008) *Information Technology Usage and Human Resource Roles and Effectiveness, Human Resource Management*, 47/3, p. 525-540.
13. Carr, M. J., Schmidt, W. T., Ford, A. M., & DeShon, D.J (2003). *Job Satisfaction: A Meta- Analysis of Stabilities. Journal of Organisational Behaviour*, 22(3), p. 483-504.
14. Cascio, W. F. (2006). *Managing Human Resources: Productivity, Quality of Life, Profits*. New York: McGraw-Hill/Irwin.
15. Adeniji, A. A., & Osibanjo, A. O. (2012). *Human Resource Management: Theory & Practice*. Lagos, Nigeria: Pumark Nigeria Limited.
16. Adeniji, A. A., Osibanjo, A. O., & Abiodun, A. J. (2013). *Organizational Change and Human Resource Management Interventions: An Investigation of the Nigerian Banking Industry. Serbian Journal of Management*, 8(2), p. 139-154
17. Gordon, G., & DiTomaso, N. (1992). *Predicting Corporate Performance from Organizational Culture. Journal of Management Studies*, 29(6), p. 783-798.
18. Barney, J. B. (1991). *Firm Resources and Sustained Competitive Advantage. Journal of Management*, 17(1),p. 99–120.
19. Barney, J. B. (1995). *Looking Inside for Competitive Advantage. Academy of Management Executive*, 9(4), p. 49–61.
20. Barney, J. B., & Wright, P. M. (1997). *On Becoming a Strategic Partner: The Role of Human Resources in Gaining Competitive Advantage. Human Resource Management*, 37(1), p. 31–46.
21. Bart, C. K., & Baetz, M. C. (1998). *The Relationship Between Mission Statements and Firm Performance: an Expletory Study. Journal of Management Studies*, 35(6), p. 823–853.
22. <http://www.doiserbia.nb.rs/img/doi/0013-3264/2009/0013-32640981093B.pdf>
23. http://www.trinet.com/resources/white_papers/TriNet_eGuide_Company_Culture.htm