

Rochester Institute of Technology

RIT Digital Institutional Repository

Theses

7-29-2020

The Influence of HR on Desired Company Culture

Dino Lučan
dl9020@rit.edu

Follow this and additional works at: <https://repository.rit.edu/theses>

Recommended Citation

Lučan, Dino, "The Influence of HR on Desired Company Culture" (2020). Thesis. Rochester Institute of Technology. Accessed from

This Master's Project is brought to you for free and open access by the RIT Libraries. For more information, please contact repository@rit.edu.

RIT

The Influence of HR on Desired Company Culture

by

Dino Lučan

A Capstone Project Submitted in Partial Fulfillment of the
Requirements for the Degree of Master of Science in Service
Leadership and Innovation

Department of Hospitality and Service Innovation
Saunders College of Business

Rochester Institute of Technology-Croatia
Zagreb, Croatia
July 29th, 2020

Abstract

Company culture is an integral part of all business organizations. It has a strong influence on organizational success and it directly affects organizations' work environment and business processes. As company culture is experienced and created by the employees, the HR function tends to be responsible with defining and implementing the appropriate company culture. This study analyzes the connection between HR and company's culture by evaluating manager and HR personnel opinions on the influence of HR in developing and sustaining the desired company culture. A quantitative, non-experimental, design is applied via an online survey that was sent to a sample of non-HR managers and HR personnel in Croatia (n=87) with the goal to gain insights on their opinion of the influence of HR on company culture. Responses of the survey show that there are predominantly strong similarities in the perceived views of management and HR personnel regarding the influence of HR. Certain discrepancies are seen in the different views regarding the areas of co-ownership, conflict management, and challenging of the status quo. Biggest growth opportunities are seen in the inclusion of outside stakeholders in the activities regarding the building and sustaining of the desired company culture.

Table of Contents

- 1. Abstract 1**
- 2. Table of Contents 2**
- 3. Introduction 3**
- 4. Purpose Statement & Research Questions..... 3**
- 5. Literature Review 4**
 - 5.1. Importance of company culture 4**
 - 5.2. Effects and challenges of company culture 5**
 - 5.3. Role of HR in company culture 7**
- 6. Methods and Evaluation 8**
 - 6.1. Research Design 8**
 - 6.2. State of Inquiry 9**
 - 6.3. Participants 9**
 - 6.4. Target Sample 10**
 - 6.5. Measurement Instruments..... 10**
 - 6.6. Limitations 10**
 - 6.7. Data Analysis..... 11**
- 7. Results 11**
- 8. Discussion..... 32**
- 9. Recommendations 34**
- 10. Bibliography 37**

Introduction

Company culture is an integral part of an organization. By defining the workplace environment company culture symbolizes an organization's personality (Doyle, 2019). Company culture is shown in all company processes and it has great influence on the achievement of strategic goals. It consists of organization's values, beliefs, attitudes, and behaviors. Even though it is intangible, company culture is best demonstrated through the actions of the members of the organization (Reh, 2019). Employees that act according to and fit to the desired company culture are more productive and loyal to the organization (Doyle, 2019). In addition, by sustaining a desired culture that supports its mission, an organization achieves stronger business results.

Due to the effect on overall business results, great emphasis is placed on creating the right company culture and making sure that employees fit to this desired company culture. It takes a long period of time to change company culture, so many organizations implement various initiatives to adapt their existing company culture to their new needs (Reh, 2019). As most of these initiatives are connected to employees they are usually driven by the Human Resources (HR) function, and organizations tend to make the HR function responsible for the development and implementation of desired company culture (Gunn, 2002). This role gives HR strong influence on the company culture, yet discrepancies tend to occur between the HR and the management vision of the desired company culture, and this affects the success of all culture related initiatives (Kearl, 2018).

Purpose Statement & Research Questions

The purpose of this quantitative survey study is to analyze the influence of HR function on the desired company culture within different organizations in Croatia. The survey compares management and HR perceptions of the role of HR in building and sustaining the desired company culture within their respectable organizations.

The survey answers the following questions: (1) What are the management and HR perceptions of HR processes in the relation of their effect on the desired company culture? (2) In the perspectives of management and HR, how successful are these initiatives? (3) Are there any discrepancies in the perceptions? (4) How do managers and HR perceive the importance of HR's influence of the overall desired company culture?

Literature Review

Importance of company culture

Company culture plays a crucial role in the organizations goal to achieve competitive advantage and in order to attain this competitive advantage an organization has to make sure to have strong foundations in company culture that nourishes employee engagement (Davis, 2017). A company culture that is not aligned with company goals and strategy serves as a burden and does not support further growth. These effects are seen on overall company performance. The essential notion of company culture is that it is unique and, unlike strategy and business processes, it cannot be copied (Sivakami & Samitha, 2018). Organizations can have great processes and procedures, but if there is no motivation for work, results will be missing.

Company culture has a strong influence on the profitability of the organization (Woppman, 2010). As one of the top factors, culture does not only affect what results are achieved, but also how they are achieved. In a strong performing company employees are more loyal and satisfied, thus they further strengthen an already strong company culture. "If you don't plan your culture, it will just happen, and then you will be stuck with it." (Woppman, 2010). Sustaining a company culture is an ongoing process, and no matter how much it improves, the work on it should never stop.

Company culture has the power to influence an entire organization. It is a great factor in the success of many business processes and initiatives (Gunn, 2002). As it is included in all

of the internal procedures and policies, it is part of the company DNA. Business strategy is an important tool in defining the organization's future. As business strategy is defined by the organization's perceptions of internal and external market conditions and business opportunities, it is affected by company culture (Isac & Remes, 2018). Inadvertently, when an organization evaluates all of its strategic options, the final choice is greatly influenced by its culture. Isac and Remes stress that it is necessary for the organization to harmonize business strategy and company culture in order to be successful (2018).

“Corporate culture is a key determinant of innovation” (Acebo & Viltard, 2018). By affecting and promoting certain behavior of individuals it allows for the desired competencies to be fostered and further developed. Acebo & Viltard further state that company culture allows for the creation of a business environment that takes nourishes creativity and transforms it into necessary competencies that drive business success (2018). Although culture greatly affects company performance, this cannot be achieved if creativity that it fosters is not supported.

Effects and challenges of company culture

One of the biggest misconceptions in all of the organizations is that the company culture is not visible to the customers (Want, 2003). Contrary to the common belief, company culture is not only internal, but it is visible to the customer, as the behavior within the organization is also how an organization interacts with its customers (Woppman, 2010). Company culture impacts all business areas of the organization and it affects the overall success of the organization. According to Want, culture is one of the biggest reasons organizations fail (2003). In addition, failing cultures lead customers to turn towards competition. This solidifies the importance of building a strong and sustainable cultures that will allow future growth.

One of the biggest obstacles to creating a desired culture is employee resistance (Kaufman, 2015). As the change in company culture requires the change of underlying beliefs and values, which directly affect the individual, resistance is always present. Kaufman further

states that the presence of resistance shows the depth of changes in the culture (2015). In addition to employee behaviors, the resistance is also nourished with procedures that do not support the desired culture. When making a change in the culture, it is necessary to adjust all procedures to the desired culture. In order for the culture change to be successful, it is necessary to utilize strengths from the behaviors that are already present in the existing company culture (Kaufman, 2015).

Although the links between organizational success and company culture are proven in numerous studies, most of the leadership is reluctant to recognize their role in its development (Eisenberg, 2017). Woppman stresses the importance of top management making company culture an important part of the business strategy (2010). The lack of leadership support results in negligence of the company culture. This results in the development of the culture that is counterproductive to strategy and long-term goals. The negative effects of this negligence is even stronger when most workers see and agree that company culture has a big effect on the success of the organization (Workers agree: company culture matters, 2010). In order for the company culture to be successful leadership needs to drive its implementation and growth. This will result in increase of employee morale, productivity, and job satisfaction.

According to Sivakami & Samitha there is a strong link between company culture and employee performance (2018). Company culture greatly influences the overall success of an individual employee. Employees take their personal views and opinions and transform them so that they behave according to company norms and values. The more an employee behaves according to the desired company culture, more successful she is. This behavior is the foundation of the company success and it supports all the initiatives that result in the improvement of the organization processes (Sivakami & Samitha, 2018).

Role of HR in company culture

“The relationship between HR and company culture is critical” (Kearl, 2018). HR has the important role of communicating the company culture daily to all of its stakeholders, both the management and employees. According to Kearl (2018) HR has the role of making sure that the company culture is present from the employee’s first interaction with the organization. In addition, HR has to make sure that the company culture lives within the organization by protecting its values and by recognizing and rewarding the proper behaviors. HR has to take company culture very seriously and it needs to take any actions to preserve it.

By being included in all of the organizations procedures and policies, HR has a strong influence in building a desired company culture (Gunn, 2002). This results in company culture being present both formally and informally within the organization. Formally organization culture is present in company documents and procedure, while informally it is seen in the behavior of all employees. When an organization creates its strategies, it is essential that the effect and influence of company culture is taken into consideration (Triguero-Sánchez, Peña-Vinces & Guillen, 2018). By behaving in such way, any possible drawbacks that results with the collision of the existing company culture can be avoided.

One of HR’s main influences on building a desired company culture is the implementation of employee engagement initiatives (Study: HR sharpens focus on engagement, company culture, 2018). These initiatives focus on the overall employee experience with the organizations. Organizations see the importance of company culture to reach the desired results, and HR puts a lot of effort to achieve these initiatives. “The role HR plays in driving engagement and culture is powerful” (Study: HR sharpens focus on engagement, company culture, 2018).

If an organization wants to develop its culture it is necessary for company leadership to take the key role in this process, and HR can provide support to achieve this goal (HR C-suite:

How HR influences a healthy company culture, 2017). It is the goal of HR to work as a mediator between company leadership and its employees. HR can gain feedback from all sources in order to make sure that the development of the company culture is going in the right direction. It can warn leadership of potential risks while making sure that all stakeholders see that the desired culture represents their values and beliefs. HR needs to take this role in order to make sure that desired culture is created effectively and that the positive effects will be seen (HR C-suite: How HR influences a healthy company culture, 2017).

Changing the company culture means altering the organizations beliefs and norms. This change affects all aspects of the organization, and process is usually wrongly viewed as HR ownership (Newton, 2016). For company culture change to be successful all participants have to take ownership of the process and HR has to serve function of support in achieving this goal. According to Newton (2016) it is HR's main goal to convince leaders that company culture can change and to teach the leaders how this change can be successfully implemented. Only through cooperation and taking of ownership the process of culture change can be successful.

Methods and Evaluation

Research Design

The purpose of the study is to compare manager's and HR's opinions of the impact of HR on the desired company culture. Non-experimental design is applied, and cross-sectional quantitative data was collected.

The survey answers the following questions: (1) What are the management and HR perceptions of HR processes in the relation of their effect on the desired company culture? (2) In the perspectives of management and HR, how successful are these initiatives? (3) Are there any discrepancies in the perceptions? How do managers and HR perceive the importance of HR's influence of the overall desired company culture?

State of Inquiry

Data is collected via an online survey that is distributed to the selected target population. The survey consists of close-ended questions. As the survey is distributed on a geographic area of the whole country, and most of responses did not require deeper explanations, online method is recognized as the most optimal approach for distribution of the survey.

The first part of the survey consists of demographic questions that are used to segment the respondents into different groups.

The second part of the survey consists of 5 questions that focus on the evaluation of the status of organizational culture within the organization. Ratings ranged from 1, “Strongly disagree”, to 6, “Strongly agree”, and no neutral response option was provided. The 6-point scale was used in order to avoid the possibility of a neutral response, and to allow participants to put thought to their answers while creating groupings that should be easier to understand and discuss.

The third part of the survey consists of 31 questions that focus on the HR’s effect on the organizational culture. Same 6-point scale is used as in the second part.

The last part of the survey consists of one ranking question where participants have to rank from top to bottom the most important to least important the influence of organizational aspects on developing and sustaining the desired organizational culture.

Participants

The targeted population of the survey are managers and HR personnel that work in various businesses in Croatia. Selection of participants is based on convenience sampling. The final sample size is 87 participants. Out of that 44 work in HR and 43 are managers. The sample consists of both men and women with age groups from 21 years old to 60 and over years old. Participants have various education levels from ranging from High school to Ph.D. level of education while their tenure lasts from 0-3 years up to 15+ years.

Target Sample

The participating sample of the survey are managers and HR personnel within Croatia. As there is no official data for the overall number of managers of HR personnel within Croatia, random sampling is not applied. Sampling is based on the convenience sampling. The final size of the sample is 87 participants. Overall there were 105 respondents, but as all responses were not complete only the fully completed surveys were taken into consideration for further analysis.

Measurement Instruments

Researcher created an online survey via an online survey tool - Qualtrics. The survey is distributed to colleagues that work as HR personnel and managers via e-mail and to the RIT Croatia alumni working in these positions via Facebook. Participants are encouraged to further distribute the survey to their acquaintances that are part of one of the two groups. The research managed to collect 105 responses, out of which 87 finished the survey completely. All responses are completed anonymously to ensure minimum bias and prejudice.

The survey was distributed to the participants during the Q1 2019. Participants had a period of 2 weeks to complete the survey. Response rate was followed on a weekly basis. As survey was anonymous, one reminder was sent to all the participants.

Limitations

Two limitations are identified:

- The motivation and willingness of the managerial and HR population to participate in the survey.
- Participants include managers and HR personnel from entire Croatia, but due to lack of random sampling certain organizations have higher representation that affects and skews the overall data.

Data Analysis

The collected data is analyzed using the Qualtrics data analysis tool. The analysis tool analyzes answers for every question and then summarizes the data so that the researcher could compare the results of each question.

Results

Out of the 87 participants, 49.4% of the respondents work in management and 50.6% of the respondents are HR personnel (Figure 1).

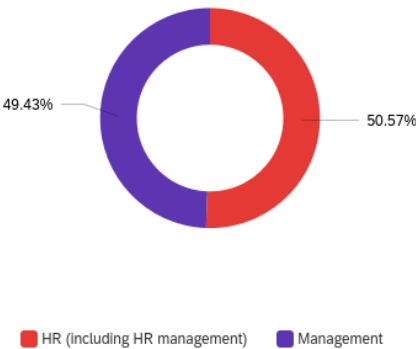


Figure 1. Participant Function

Of the 87 participants, 58.6% are females and 41.4% are males. When looking at the individual functions, in management 39.5% of the participants are female and 60.5% are males. In HR personnel participants, 77.3% are female and 22.7% are male (Figure 2).

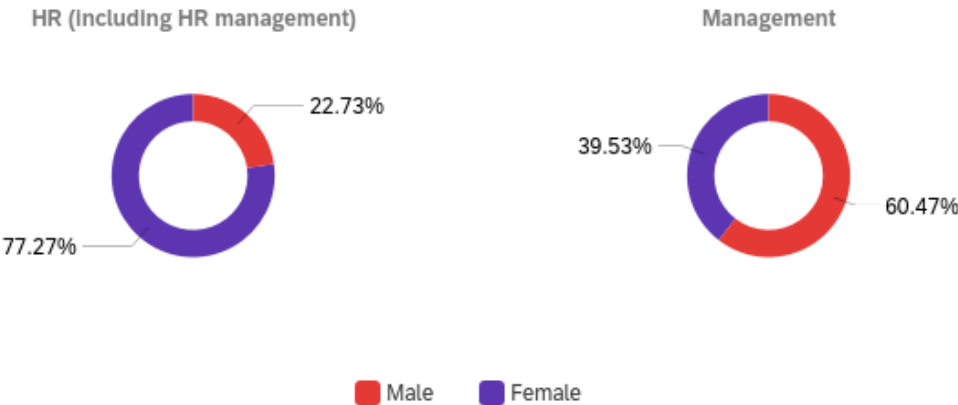


Figure 2. Gender

The majority of participants work in the Oil & Gas Industry, 56.3%, while the next industries with the high representation are FMCG with 10.3% and Energy with 5.8%. All

other industries have less than 4% representation individually (Figure 3). When observing individual functions, Oil & Gas Industry is the most represented with 54.6% of HR personnel and 58.1% of the management.

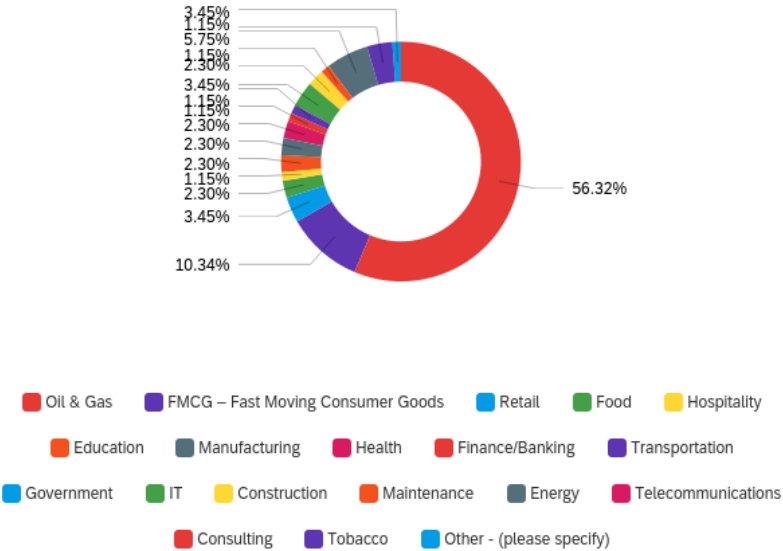


Figure 3. Industries

Representatives of all age groups participated in the survey. The highest percentage of 48.3% is in the age group 31-40, followed by 19.5% in the age group 41-50, then 17.2% in the age group 21-30, 11.5% in the age group 51-60, and 3.5% in the age group older than 61. There are no participants in the age group of lower than 20. When observing by the individual functions, both HR and management have the highest number of participants in the 31-40 age group (Figure 4).

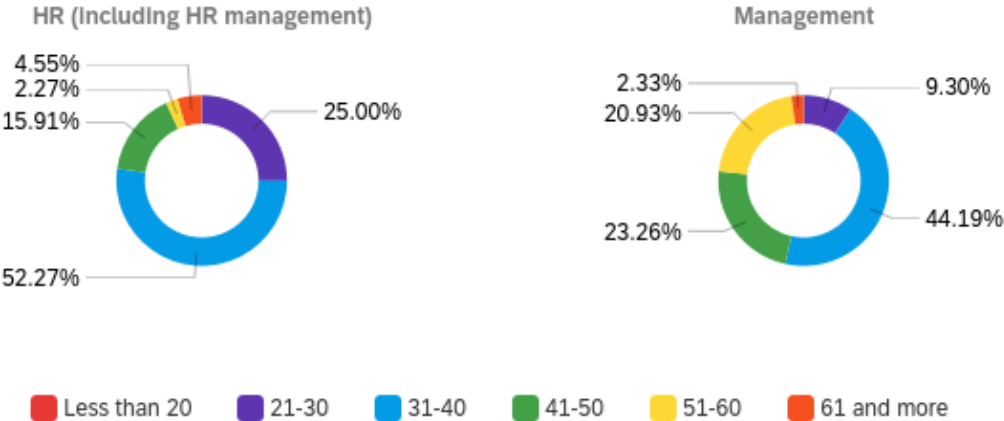


Figure 4. Age

Majority of the participants, 62.1%, have a Graduate – Bachelor’s Degree. After that 23% have a Postgraduate – Master’s or MBA degree and 12.6% have an Undergraduate – Associate Degree. One participant has a high school degree and one has a doctoral degree (Figure 5). When observing individual functions, the same participant education structure is found.

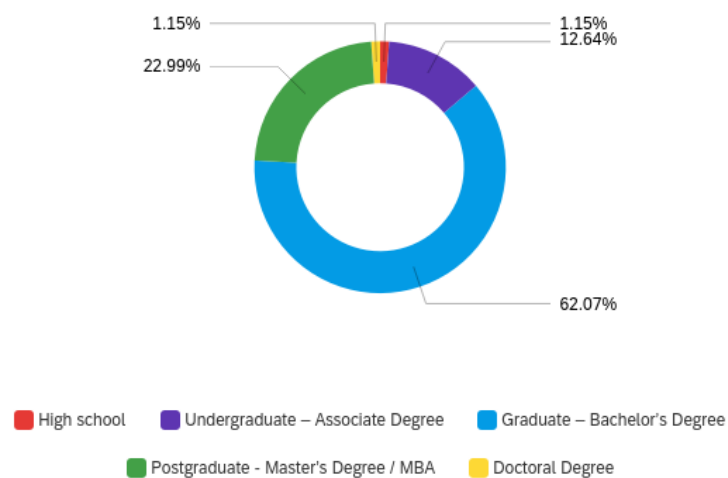


Figure 5. Education

Important aspect when observing culture perception is the tenure of the individual in the organization. In management 30.2% of the participants have more than 15 years of tenure in the organization, then 27.9% 7 to 10 years, 11.6% 11 to 14 years, 18.6% 0-3 years, and 11.6% 4 to 6 years. With HR personnel the data is opposite as majority have less than 3 years of tenure within the organization (40.9%), then 20.5% have 4 to 6 years, 18.2% have 7 to 10, 15.9% have more than 15 years, and 4.6% have 11 to 14 years of tenure within the current organization (Figure 6).

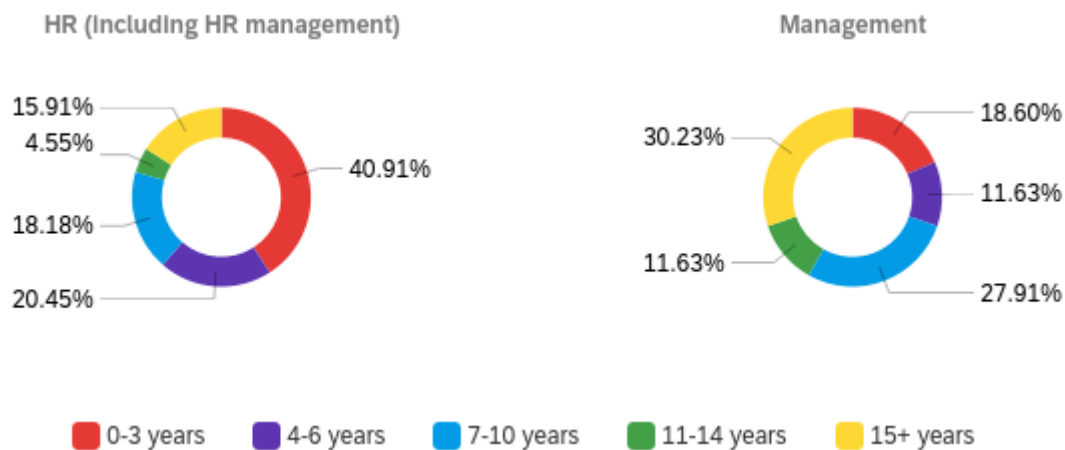


Figure 6. Tenure within the organization

The second section of the survey focuses on the evaluation of the status of organizational culture within the participant’s organizations. As mentioned, the answers are collected and show responses on the scale from 1 to 6 with the following meaning: 1 – “Strongly disagree”, 2 – “Disagree”, 3 – “Somewhat disagree”, 4 – “Somewhat agree”, 5 – “Agree”, and 6 – “Strongly agree”. In addition, responses are grouped into the “Bottom 3 Box” which incorporates responses from the disagree categories (scale 1 to 3) and the “Top 3 Box” which incorporates responses from the agree categories (scale 4 to 6). The analyzed data shows that for the questions in this section the management has the overall higher mode in comparison to the HR personnel (Table 1). Average of 78.26% of managers responses are in the agree categories compared to 58.18% of HR personnel.

Question	Minimum	Maximum	Mode - most selected reponse	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
The organization has clearly defined the desired organizational culture.	2.00	6.00	4 - Somewhat agree	33.33%	1.35	4.00	22.99%	77.01%
<i>Management</i>	2.00	6.00	5 - Agree	39.53%	0.99	5.00	16.28%	83.72%
<i>HR (including HR management)</i>	2.00	6.00	4 - Somewhat agree	34.09%	1.61	4.00	29.55%	70.45%
Top management effectively communicates the business strategy to all relevant stakeholders.	1.00	6.00	4 - Somewhat agree	31.03%	1.48	4.00	34.48%	65.52%
<i>Management</i>	3.00	6.00	5 - Agree	39.53%	0.68	4.00	18.60%	81.40%
<i>HR (including HR management)</i>	1.00	6.00	2 - Disagree	27.27%	1.93	3.50	50.00%	50.00%
Top management links realization of the business strategy with the desired organizational culture.	1.00	6.00	4 - Somewhat agree	36.78%	1.61	4.00	34.48%	65.52%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	37.21%	1.06	4.00	20.93%	79.07%
<i>HR (including HR management)</i>	1.00	6.00	4 - Somewhat agree	36.36%	1.78	4.00	47.73%	52.27%
Employees are encouraged to behave according to the desired organizational culture.	2.00	6.00	4 - Somewhat agree	33.33%	1.47	4.00	21.84%	78.16%
<i>Management</i>	2.00	6.00	5 - Agree	32.56%	1.08	5.00	16.28%	83.72%
<i>HR (including HR management)</i>	2.00	6.00	4 - Somewhat agree	36.36%	1.73	4.00	27.27%	72.73%
The potential effect on the organizational culture is considered in all business decisions.	1.00	6.00	4 - Somewhat agree	35.29%	1.61	4.00	45.88%	54.12%
<i>Management</i>	1.00	6.00	4 - Somewhat agree	39.02%	1.40	4.00	36.59%	63.41%
<i>HR (including HR management)</i>	1.00	6.00	2 - Disagree 4 - Somewhat agree	31.82%	1.65	3.00	54.55%	45.45%

Table 1. Section 2 results of the status of company culture based on function

The data shows that in the provided responses management has the higher percentage of answers in the agree categories as well. The biggest discrepancy of answers is seen in the questions relating to the top management communication of business strategy where 50% of HR personnel and 18.6% of management disagree with the statement (Figure 7) and linking of strategy with the desired company culture where 47.7% of HR personnel and 20.9% of management disagree with the statement (Figure 8). Figure 7 shows that the mode for HR personnel is “Disagree” – 27.27% compared to management mode of “Agree” – 39.53%, while in Figure 8 both HR and management have the same mode with similar percentages. In addition, in a question related to company culture and business decision HR responses are bimodal.

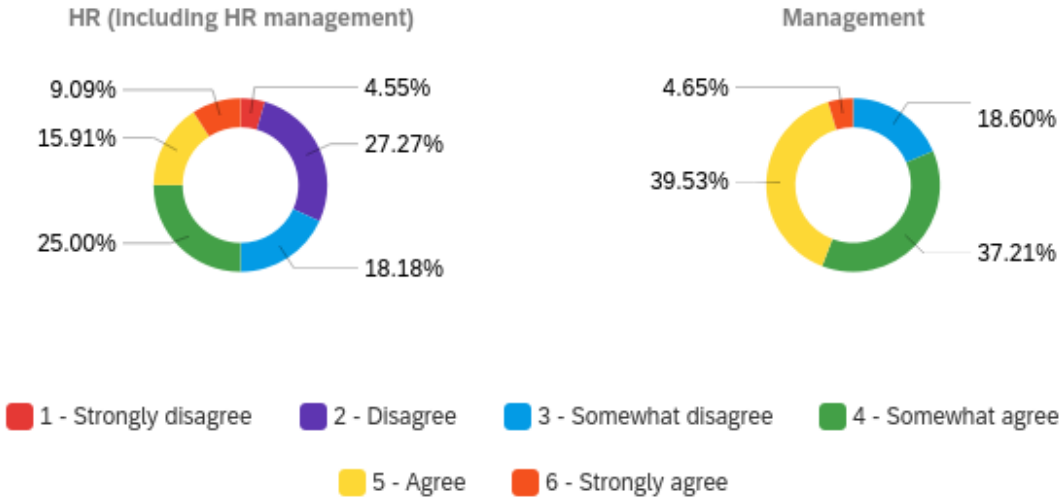


Figure 7. Top management communicates strategy

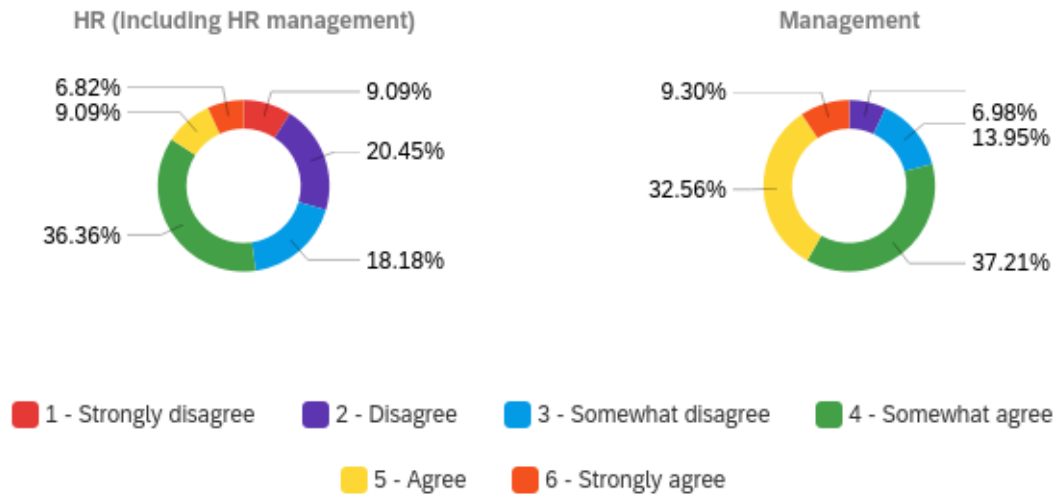


Figure 8. Top management links strategy with culture

When analyzing the responses in this section based on the gender of the participants it is observed that for four questions both genders have the same mode. The difference is seen in question relating to the communication of business strategy to all relevant stakeholders where male participants show a mode of “Somewhat agree” – 41.67% compared to the female participants with a mode of “Agree” – 27.45% (Figure 9). In addition, the male participants have the higher average percentage of responses in the agree categories of the survey (73.75%) compared to the combined (68.07%) and female responses (64.12%) (Table 2). As observed in Table 2, for the first question female responses are bimodal.

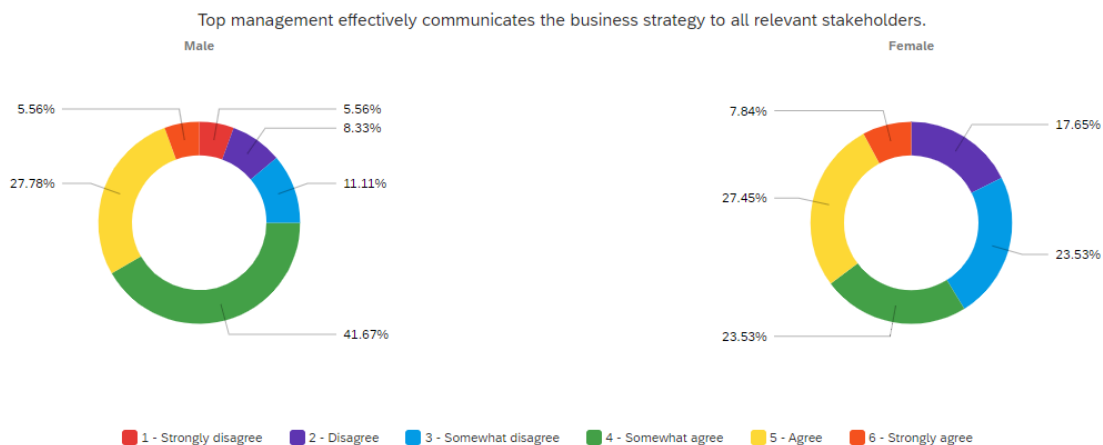


Figure 9. Top management communicates strategy based on gender

Question	Minimum	Maximum	Mode - most selected reponse	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
The organization has clearly defined the desired organizational culture.	2.00	6.00	4 - Somewhat agree	33.33%	1.35	4.00	22.99%	77.01%
<i>Male</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>36.11%</i>	<i>1.07</i>	<i>4.00</i>	<i>16.67%</i>	<i>83.33%</i>
<i>Female</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i> <i>5 - Agree</i>	<i>31.37%</i>	<i>1.51</i>	<i>4.00</i>	<i>27.45%</i>	<i>72.55%</i>
Top management effectively communicates the business strategy to all relevant stakeholders.	1.00	6.00	4 - Somewhat agree	31.03%	1.48	4.00	34.48%	65.52%
<i>Male</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>41.67%</i>	<i>1.44</i>	<i>4.00</i>	<i>25.00%</i>	<i>75.00%</i>
<i>Female</i>	<i>2.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>27.45%</i>	<i>1.50</i>	<i>4.00</i>	<i>41.18%</i>	<i>58.82%</i>
Top management links realization of the business strategy with the desired organizational culture.	1.00	6.00	4 - Somewhat agree	36.78%	1.61	4.00	34.48%	65.52%
<i>Male</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>41.67%</i>	<i>1.35</i>	<i>4.00</i>	<i>27.78%</i>	<i>72.22%</i>
<i>Female</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>33.33%</i>	<i>1.78</i>	<i>4.00</i>	<i>39.22%</i>	<i>60.78%</i>
Employees are encouraged to behave according to the desired organizational culture.	2.00	6.00	4 - Somewhat agree	33.33%	1.47	4.00	21.84%	78.16%
<i>Male</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>36.11%</i>	<i>1.34</i>	<i>4.00</i>	<i>19.44%</i>	<i>80.56%</i>
<i>Female</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>31.37%</i>	<i>1.56</i>	<i>4.00</i>	<i>23.53%</i>	<i>76.47%</i>
The potential effect on the organizational culture is considered in all business decisions.	1.00	6.00	4 - Somewhat agree	35.29%	1.61	4.00	45.88%	54.12%
<i>Male</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>37.14%</i>	<i>1.55</i>	<i>4.00</i>	<i>42.86%</i>	<i>57.14%</i>
<i>Female</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>34.00%</i>	<i>1.63</i>	<i>4.00</i>	<i>48.00%</i>	<i>52.00%</i>

Table 2. Section 2 results of the status of company culture based on gender

When analyzing the section two responses based on the age of the participants, the data show that for all age groups most of the responses fall in the agree categories while the percentages increase with the higher ages. The modes of responses are predominantly “Somewhat agree” or “Agree”. Difference is seen in question relating to the effect on the desired company culture in business decisions (Figure 10). In this question for age groups 21-30 and 41-50 the mode is “Disagree” and the majority of responses for these two agree groups fall in the disagree categories. Although the 31-40 agree group has a “Somewhat agree” mode, 50% of the responses fall in the disagree categories.

The potential effect on the organizational culture is considered in all business decisions.

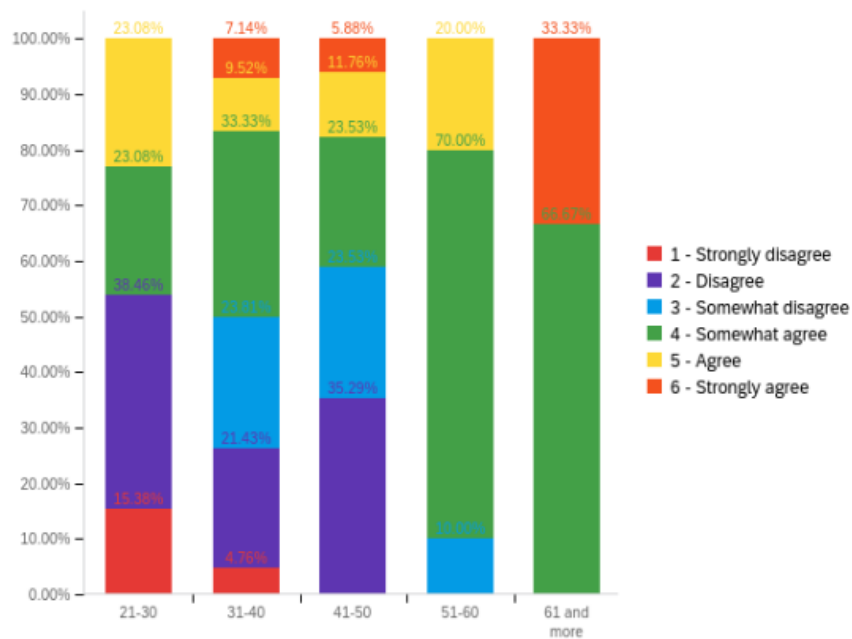


Figure 10. Top management considers culture in business decisions based on age

When analyzing the section two responses based on the education of the participants the data shows that participant with the high school diploma have the highest overall modes of “Agree” and “Strongly agree”, followed by the doctoral degree with modes of “Agree” and “Somewhat agree”. For all education levels the majority of answers fall in the agree categories. There are no modes that are any of the three disagree options. Similar to the evaluation based on age, discrepancy is seen in the question related to the effect on the desired company culture in business decisions (Figure 11). Although the modes are “Somewhat agree”, for bachelor’s degree 52.83% of responses and for master’s degree 45% of the responses fall in disagree categories.

The potential effect on the organizational culture is considered in all business decisions.

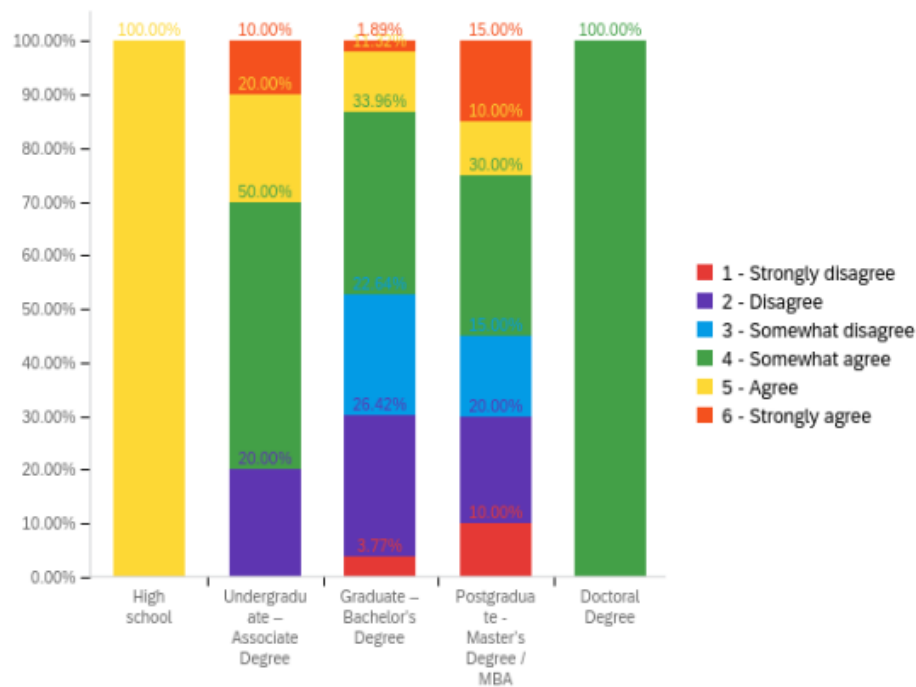


Figure 11. Top management considers culture in business decisions based on education

When analyzing the section two responses based on the tenure of the participants within the organization, the data shows that the participants with the tenure of 7-10 years have the highest average percentage of responses in the disagree categories (40%), while participants with the tenure of 15+ years have the highest average percentage or responses in the agree categories (75%). Again, a discrepancy is seen in the question related to the effect on the desired company culture in business decisions where all of the groups show a rise in the percentages of disagree categories (Figure 12). Participants with the 4-6 years of tenure have 69.23% of responses in the disagree categories, while the ones with the 7-10 years of tenure have 50% of responses in the disagree categories. In addition, participants with the 4-6 years of tenure show bimodal results of 30.77% in the “Disagree” and “Somewhat disagree” categories.

The potential effect on the organizational culture is considered in all business decisions.

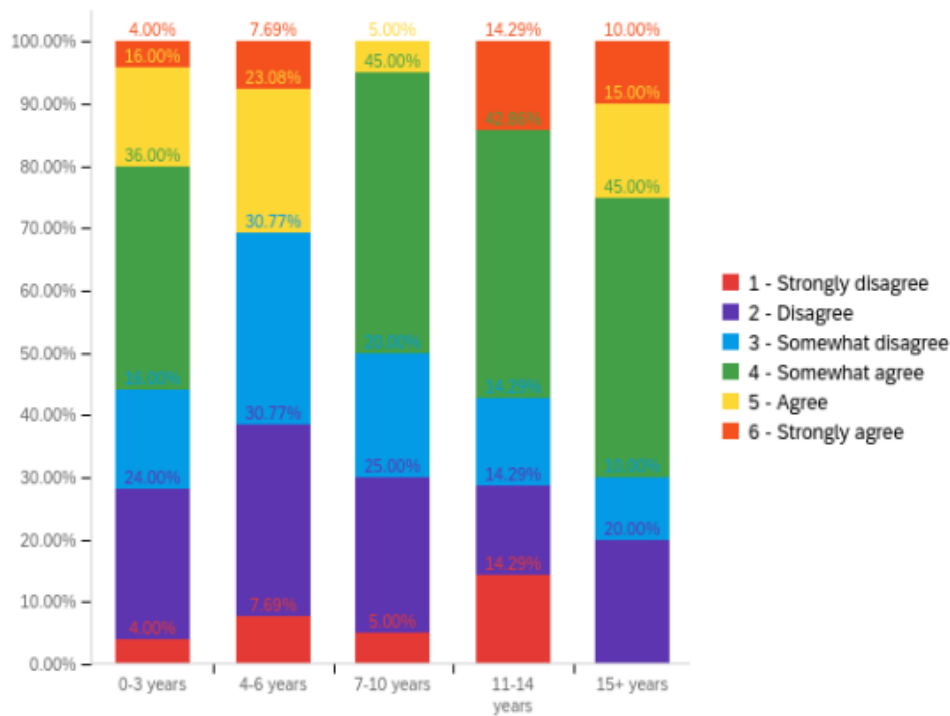


Figure 12. Top management considers culture in business based on tenure

The third section of the survey focuses on the evaluation of the HR processes and their effect on the overall desired company culture within the participant’s organizations. This part of the survey is divided into eight areas of company culture that are evaluated based on effect of HR and HR processes in each. The eight categories in this part of the survey are: HR, productivity, participation, organizational structure, communication, leadership, conflict management, and creativity.

The HR category consists of six questions that evaluate the perception of the HR processes and their effect on the desired company culture. The analyzed data shows that both management and HR personnel have similar results in this section. The management participants show average of 81.17% responses in the agree category while HR personnel show average of 78.79% in the agree category (Table 3). Predominant mode is the “Somewhat agree” response, while discrepancies are seen in the questions regarding the HR support of the desired company culture and HR recognition of changes in company culture where HR personnel have

“Agree” mode. On the other hand, management participants have a stronger mode, “Agree”, in the question regarding the onboarding process. In addition, for the questions regarding recognition and adaptability of HR to the company culture, HR personnel have a higher percentage of responses in the agree categories (81.82%) compared to managers (76.75%). It is interesting that 70.73% of managers and 65.91% of HR personnel choose agree categories in the question relating to HR success in developing and sustaining the desired company culture (Table 3).

Question	Minimum	Maximum	Mode - most selected reponse	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR practices are designed to support the desired organizational culture.	1.00	6.00	5 - Agree	40.23%	0.96	5.00	14.94%	85.06%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>51.16%</i>	<i>0.62</i>	<i>4.00</i>	<i>11.63%</i>	<i>88.37%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>47.73%</i>	<i>1.25</i>	<i>5.00</i>	<i>18.18%</i>	<i>81.82%</i>
The recruitment process puts emphasis on the selection of candidates that best fit the desired organizational culture.	1.00	6.00	4 - Somewhat agree	40.23%	1.23	4.00	11.49%	88.51%
<i>Management</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>39.53%</i>	<i>1.22</i>	<i>5.00</i>	<i>9.30%</i>	<i>90.70%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>40.91%</i>	<i>1.24</i>	<i>4.00</i>	<i>13.64%</i>	<i>86.36%</i>
Onboarding process strengthens the candidate's behaviors in line with the desired organizational culture (ex. on their first work day new employees are introduced to the organizational values and desired behaviors).	1.00	6.00	4 - Somewhat agree	33.33%	1.63	4.00	20.69%	79.31%
<i>Management</i>	<i>1.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>39.53%</i>	<i>1.30</i>	<i>5.00</i>	<i>16.28%</i>	<i>83.72%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>34.09%</i>	<i>1.94</i>	<i>4.00</i>	<i>25.00%</i>	<i>75.00%</i>
HR recognizes changes in the organizational culture.	1.00	6.00	4 - Somewhat agree	33.33%	1.15	4.00	18.39%	81.61%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>39.53%</i>	<i>0.91</i>	<i>4.00</i>	<i>20.93%</i>	<i>79.07%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>38.64%</i>	<i>1.34</i>	<i>5.00</i>	<i>15.91%</i>	<i>84.09%</i>
HR effectively adapts to the organizational culture changes.	1.00	6.00	4 - Somewhat agree	37.93%	1.17	4.00	22.99%	77.01%
<i>Management</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>41.86%</i>	<i>1.05</i>	<i>4.00</i>	<i>25.58%</i>	<i>74.42%</i>
<i>HR (including HR management)</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>34.09%</i>	<i>1.25</i>	<i>4.00</i>	<i>20.45%</i>	<i>79.55%</i>
HR is successful in developing and sustaining the desired organizational culture.	1.00	6.00	4 - Somewhat agree	36.47%	1.38	4.00	31.76%	68.24%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>41.46%</i>	<i>1.09</i>	<i>4.00</i>	<i>29.27%</i>	<i>70.73%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>31.82%</i>	<i>1.65</i>	<i>4.00</i>	<i>34.09%</i>	<i>65.91%</i>

Table 3. Section 3 HR category

The communication category consists of four questions that evaluate the perception of the effect of HR on the desired communication in the company culture. The analyzed data shows that an average of 77.59% of the responses fall the in agree categories, out of which management average is 77.91% and HR average is 77.27%. In all but one question both sides have the same mode. Difference is seen in the question regarding HR creation of appropriate metrics where HR personnel have the mode “Agree” – 34.09% and management participants have the mode “Somewhat agree” – 39.53%, but 72.09% of management chose agree categories in comparison to the 65.91% of HR personnel (Table 4).

Question	Minimum	Maximum	Mode - most selected reponse	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR creates metrics to measure the status of the organizational culture.	1.00	6.00	4 - Somewhat agree	33.33%	1.35	4.00	31.03%	68.97%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	39.53%	0.95	4.00	27.91%	72.09%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	34.09%	1.72	4.00	34.09%	65.91%
HR is effective at getting stakeholder support for its initiatives that target the development of the desired organizational culture.	1.00	6.00	4 - Somewhat agree	39.08%	1.04	4.00	25.29%	74.71%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	41.86%	0.85	4.00	23.26%	76.74%
<i>HR (including HR management)</i>	1.00	6.00	4 - Somewhat agree	36.36%	1.23	4.00	27.27%	72.73%
HR is actively involved in the communication of business strategy and the desired organizational culture.	1.00	6.00	4 - Somewhat agree	41.38%	0.97	4.00	17.24%	82.76%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	44.19%	0.86	4.00	18.60%	81.40%
<i>HR (including HR management)</i>	1.00	6.00	4 - Somewhat agree	38.64%	1.06	4.00	15.91%	84.09%
HR encourages open communication, such as feedback and recommendations, with all stakeholders in all stages of developing and sustaining the desired organizational culture.	1.00	6.00	5 - Agree	36.78%	1.28	5.00	16.09%	83.91%
<i>Management</i>	2.00	6.00	5 - Agree	39.53%	0.88	4.00	18.60%	81.40%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	34.09%	1.63	5.00	13.64%	86.36%

Table 4. Section 3 Communication category

The conflict management category consists of three questions that evaluate the perception of the effect of HR on promoting effective conflict management in line with the desired company culture. Average of 73.95% of responses fall in the agree categories with management average of 72.97% and HR average of 75% (Table 5). The question related to the empowerment of challenging the status quo shows the lowest percentages of agree categories (65.12% management and 65.91% HR), with the discrepancy of both HR and management having the “Agree” mode (management 41.86% compared to HR 31.82%). In the remaining questions HR personnel have the “Agree” mode, while management participants have the “Somewhat agree” mode.

Question	Minimum	Maximum	Mode - most selected reponse	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR encourages effective conflict management in line with the desired organizational culture.	1.00	6.00	5 - Agree	35.63%	1.33	4.00	21.84%	78.16%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	39.53%	0.88	4.00	25.58%	74.42%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	38.64%	1.72	5.00	18.18%	81.82%
HR promotes the expression of disagreements to implement improvements.	1.00	6.00	5 - Agree	34.48%	1.57	4.00	21.84%	78.16%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	44.19%	0.89	4.00	20.93%	79.07%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	38.64%	2.22	5.00	22.73%	77.27%
HR empowers employees to challenge the status quo in order to build the desired organizational culture.	1.00	6.00	4 - Somewhat agree	36.78%	1.66	4.00	34.48%	65.52%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	41.86%	1.24	4.00	34.88%	65.12%
<i>HR (including HR management)</i>	1.00	6.00	4 - Somewhat agree	31.82%	2.08	4.00	34.09%	65.91%

Table 5. Section 3 Conflict management category

The creativity category consists of one question that evaluates the HR openness to the implementation of creativity. In this category 65.12% of management responses fall in agree categories with the mode “Somewhat agree” – 34.88%, while 75% of HR personnel responses fall in the agree categories with the mode “Agree” – 40.91% (Table 6).

Question	Minimum	Maximum	Mode - most selected response	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR promotes and encourages the organization to generate new ideas and alternative solutions.	1.00	6.00	5 - Agree	32.18%	1.66	4.00	29.89%	70.11%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>34.88%</i>	<i>1.27</i>	<i>4.00</i>	<i>34.88%</i>	<i>65.12%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>40.91%</i>	<i>1.97</i>	<i>5.00</i>	<i>25.00%</i>	<i>75.00%</i>

Table 6. Section 3 Creativity category

The leadership category consists of four questions that evaluate the perception of the effect of HR on defining and promoting leadership skills and behaviors in line with the desired company culture. Management responses in this category show average 83.14% of responses in agree categories, while HR personnel responses show average of 80.11% of responses in the agree categories. Interesting result is seen in the question relating to the HR and management being co-owners in the process of the development of the desired company culture with management mode “Somewhat agree” and 90.70% of responses in the agree categories, and in the question regarding HR promoting trust for management decisions where management responses have mode “Somewhat agree” and 79.07% of responses in the agree options. For both of these questions HR personnel responses show “Agree” mode and 77.27% of responses in the agree categories (Table 7). For the remainder of the questions both management and HR have the same modes.

Question	Minimum	Maximum	Mode - most selected response	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR empowers and trains management with necessary skills to support the desired organizational culture.	2.00	6.00	4 - Somewhat agree	42.53%	0.90	4.00	16.09%	83.91%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>44.19%</i>	<i>1.00</i>	<i>4.00</i>	<i>16.28%</i>	<i>83.72%</i>
<i>HR (including HR management)</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>40.91%</i>	<i>0.79</i>	<i>4.00</i>	<i>15.91%</i>	<i>84.09%</i>
HR empowers and trains employees with necessary skills to support the desired organizational culture.	1.00	6.00	4 - Somewhat agree	44.83%	1.04	4.00	19.54%	80.46%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>48.84%</i>	<i>0.86</i>	<i>4.00</i>	<i>20.93%</i>	<i>79.07%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>40.91%</i>	<i>1.22</i>	<i>4.00</i>	<i>18.18%</i>	<i>81.82%</i>
HR and management are co-owners in the development of the desired organizational culture.	1.00	6.00	4 - Somewhat agree 5 - Agree	37.93%	1.04	4.00	16.09%	83.91%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>51.16%</i>	<i>0.73</i>	<i>4.00</i>	<i>9.30%</i>	<i>90.70%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>43.18%</i>	<i>1.33</i>	<i>5.00</i>	<i>22.73%</i>	<i>77.27%</i>
HR promotes trust for management decisions regarding the organizational culture.	1.00	6.00	5 - Agree	36.78%	1.12	4.00	21.84%	78.16%
<i>Management</i>	<i>2.00</i>	<i>6.00</i>	<i>4 - Somewhat agree</i>	<i>39.53%</i>	<i>0.71</i>	<i>4.00</i>	<i>20.93%</i>	<i>79.07%</i>
<i>HR (including HR management)</i>	<i>1.00</i>	<i>6.00</i>	<i>5 - Agree</i>	<i>36.36%</i>	<i>1.52</i>	<i>4.50</i>	<i>22.73%</i>	<i>77.27%</i>

Table 7. Section 3 Leadership category

The organizational structure category consists of four questions that evaluate the perception of how HR promotes organizational structure in line with the desired company culture. Average of 82.20% of management responses are in the agree categories compared to 77.84% of HR personnel responses. In most of responses management results show a higher percentage of agree categories. Exception is the question related to HR supporting

organizational changes where management has a score of 76.74% and HR has a score of 84.09% responses in agree categories. On the other hand, HR has the higher mode of “Agree” in all categories, while management in all but one question has the “Somewhat agree” mode. Interesting result is seen in question related to HR promoting organizational structure that supports the desired organizational culture with HR personnel responses having a higher mode, but a significantly lower percentage of 68.18% responses in the agree categories (Table 8).

Question	Minimum	Maximum	Mode - most selected reponse	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR is empowered to adjust internal acts (procedures) to strengthen the desired organizational culture.	1.00	6.00	5 - Agree	40.23%	1.25	4.00	17.24%	82.76%
<i>Management</i>	2.00	6.00	5 - Agree	41.86%	0.83	4.00	16.28%	83.72%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	38.64%	1.66	5.00	18.18%	81.82%
HR promotes the organizational structure that supports the desired organizational culture.	1.00	6.00	5 - Agree	36.78%	1.21	4.00	22.99%	77.01%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	51.16%	0.72	4.00	13.95%	86.95%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	43.18%	1.69	5.00	31.82%	68.18%
HR actively supports the necessary organizational changes that promote and improve the organizational culture.	1.00	6.00	4 - Somewhat agree	39.08%	1.19	4.00	19.54%	80.46%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	46.51%	0.74	4.00	23.26%	76.74%
<i>HR (including HR management)</i>	1.00	6.00	4 - Somewhat agree 5 - Agree	31.82%	1.56	5.00	15.91%	84.09%
HR takes into consideration the effect on the organizational culture before new policies are implemented.	2.00	6.00	4 - Somewhat agree	39.08%	1.11	4.00	20.69%	79.31%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	53.49%	0.79	4.00	18.60%	81.40%
<i>HR (including HR management)</i>	2.00	6.00	5 - Agree	31.82%	1.38	5.00	22.73%	77.27%

Table 8. Section 3 Organizational structure category

The productivity category consists of four questions that evaluate how efficient and effective HR is in responding to and implementing necessary changes that are in line with the desired company culture. In this category average of 75% of management responses are in the agree categories compared to 69.32% of HR personnel responses. For all of the questions the management mode is “Somewhat agree” while for HR personnel the mode varies in each question. For the question regarding performance management systems being developed in line with the desired company culture, HR personnel responses are bimodal with “Agree” and “Somewhat agree” choices. In the same question 74.42% of managers have responses in agree categories compared to 59.09% of HR personnel. The only question where HR personnel responses have higher percentage of agree categories is related to the HR reacting effectively to stakeholder feedback with 69.77% of managers in agreed categories in contrast to the 81.82% of HR personnel (Table 9). In this question both the management (34.88%) and HR (34.09%) have the same mode of “Agree”.

Question	Minimum	Maximum	Mode - most selected response	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
Reward and recognition practices encourage behaviors that are in line with the desired organizational culture.	1.00	6.00	5 - Agree	31.07%	1.65	4.00	29.89%	79.31%
<i>Management</i>	1.00	6.00	4 - Somewhat agree	39.53%	1.35	4.00	25.58%	74.42%
<i>HR (including HR management)</i>	2.00	6.00	5 - Agree	34.09%	1.92	5.00	34.09%	65.91%
Performance management systems are developed in line with the desired organizational culture.	1.00	6.00	4 - Somewhat agree	32.18%	1.44	4.00	33.33%	66.67%
<i>Management</i>	1.00	6.00	4 - Somewhat agree	46.51%	0.97	4.00	25.58%	74.42%
<i>HR (including HR management)</i>	1.00	6.00	3 - Somewhat disagree 5 - Agree	25.00%	1.89	4.00	40.91%	59.09%
HR practices are effective in developing and sustaining the desired organizational culture.	1.00	6.00	4 - Somewhat agree	36.78%	1.12	4.00	24.14%	75.86%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	48.84%	0.85	4.00	18.60%	81.40%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	36.36%	1.39	4.00	29.55%	70.45%
HR effectively reacts on stakeholder feedback for actions that help develop the desired organizational culture.	1.00	6.00	4 - Somewhat agree	34.48%	1.26	4.00	24.14%	75.86%
<i>Management</i>	1.00	6.00	4 - Somewhat agree	34.88%	1.19	4.00	30.23%	69.77%
<i>HR (including HR management)</i>	2.00	6.00	4 - Somewhat agree	34.09%	1.28	4.00	18.18%	81.82%

Table 9. Section 3 Productivity category

The participation category consists of five questions that evaluate how much HR is involved in activities of its stakeholders, and how much it involves its’ stakeholders in HR activities. Average of 80% of HR personnel agree with the statements in the questions, in comparison to the average of 75.35% of the management. Excluding the two questions where they have the same mode, management participants predominantly have the “Somewhat agree” mode and HR personnel have the “Agree” mode. The question regarding the involvement of outside stakeholder in the creation of HR policies is the only one where management has higher percentage of agree categories (60.47%) in comparison to HR personnel (59.09%) (Table 10). Even though the overall mode is “Somewhat agree”, this question has the lowest percentage of combined responses in the agree categories (59.77%).

Question	Minimum	Maximum	Mode - most selected response	Mode - percentage	Variance	Median	Bottom 3 Box	Top 3 Box
HR effectively reacts upon Top management requests that are connected to the desired organizational culture.	2.00	6.00	4 - Somewhat agree	42.53%	0.90	4.00	11.49%	88.51%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	55.81%	0.76	4.00	11.63%	88.37%
<i>HR (including HR management)</i>	2.00	6.00	5 - Agree	43.18%	0.97	5.00	11.36%	88.64%
Outside stakeholders (other organizational units, management, and employees) are actively involved in the creation of HR policies that affect the overall organizational culture.	1.00	6.00	4 - Somewhat agree	33.33%	1.45	4.00	40.23%	59.77%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	34.88%	1.19	4.00	39.53%	60.47%
<i>HR (including HR management)</i>	1.00	6.00	4 - Somewhat agree	31.82%	1.70	4.00	40.91%	59.09%
HR shares knowledge with other stakeholders in order to help them understand and act upon the desired organizational culture.	2.00	6.00	5 - Agree	39.08%	0.93	5.00	18.39%	81.61%
<i>Management</i>	2.00	6.00	5 - Agree	37.21%	0.77	4.00	25.58%	74.42%
<i>HR (including HR management)</i>	2.00	6.00	5 - Agree	40.91%	0.94	5.00	11.36%	88.64%
HR promotes treatment of employees as the most important asset.	1.00	6.00	5 - Agree	36.78%	1.66	5.00	20.69%	79.31%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	34.88%	1.29	4.00	23.26%	76.74%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	45.45%	1.98	5.00	18.18%	81.82%
HR promotes involvement of employee’s ideas/feedback when designing policies that affect the organizational culture.	1.00	6.00	4 - Somewhat agree	36.78%	1.30	4.00	20.69%	79.31%
<i>Management</i>	2.00	6.00	4 - Somewhat agree	46.51%	0.95	4.00	23.26%	76.74%
<i>HR (including HR management)</i>	1.00	6.00	5 - Agree	38.64%	1.60	5.00	18.18%	81.82%

Table 10. Section 3 Participation category

When analyzing the responses in section three based on the gender of the participants on average higher percentage of female participants have responses in agree categories

(78.60%) compared to male participants (76.13%). In majority of the questions both males and females have the same mode and similar percentage of responses in the agree categories. Certain discrepancies are seen in some of the question such as the one related to the HR being empowered to adjust internal acts where 8.34% of males compared to 23.52% of females have responses in the disagree categories. On the other hand, in the question related to HR sharing knowledge with other stakeholders 7.84% of females have responses in disagree categories compared to 33.34% of males. The question with the highest percentage of responses in the disagree categories is the one related to outside stakeholders being actively involved in the creation of HR policies. Even though both males and females have the same mode of “Somewhat agree” (41.67% for males and 27.45% for females), 36.12% of males and 43.14% of females have responses in the disagree categories (Figure 13).

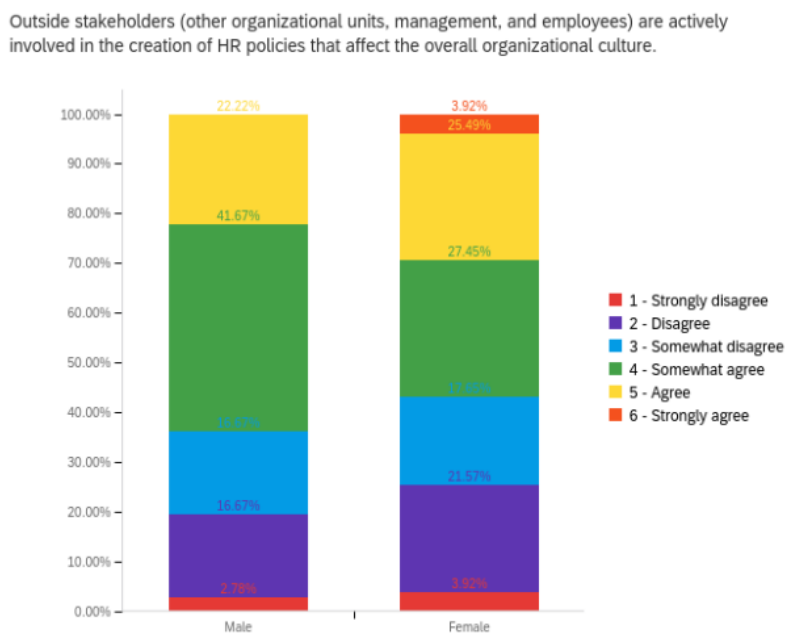


Figure 13. Outside stakeholder involvement based on gender

When analyzing the section three responses based on the age of the participants, the data shows that average of 79.44% in the age group 21-30, 73.04% in 31-40, 81.78% in 41-50, 86.77% in 52-60, and 77.42% in 61 and more have responses in the agree categories. For majority of the questions all age groups have modes of either “Somewhat agree” or “Agree”.

Similar to the gender analysis, in the question related to the involvement of outside stakeholders there is an increase of the percentage of responses in the disagree categories, 31-40 age group even has majority of responses (52.38%) in these categories. Even though responses vary by question, all age groups have a similar view on the overall HR success in the development of the desired company culture where in all groups have around 30% of responses are in disagree categories, with modes of either “Somewhat agree” or “Agree” (Figure 14).

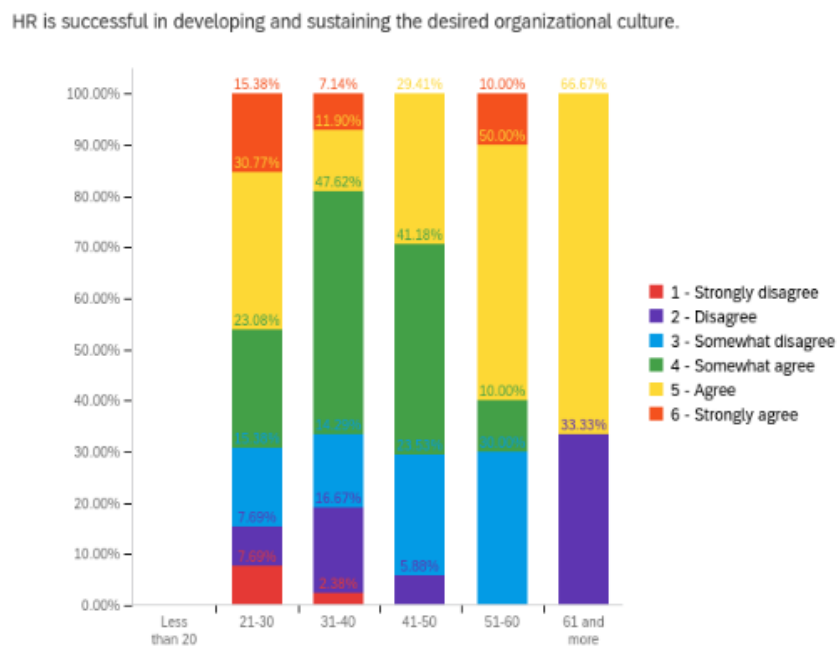


Figure 14. HR success based on age

When analyzing the section three responses based on the education of the participants the data shows that average of 100% of High school, 88.83% of Undergraduate – Associate Degree, 75.19% of Graduate – Bachelor’s Degree, 75.65% of Postgraduate – Master’s Degree/MBA, and 100% of Doctoral Degree participants have the answers in the agree categories. For most questions, the modes of the groups are either “Somewhat agree” or “Agree”. In addition, in majority of the questions the highest percentage of the disagree responses have participants with the Graduate or Postgraduate degree. Similar to other analyses, the highest percentage of responses in the disagree categories is seen in the question related to the involvement of outside stakeholders. 45.45% of Undergraduate, 37.04% of Graduate, and

50% of Postgraduate responses are in disagree categories, while Postgraduate participants have a “Disagree” mode and Undergraduate responses have bimodal responses of “Somewhat disagree” and “Agree” (Figure 15).

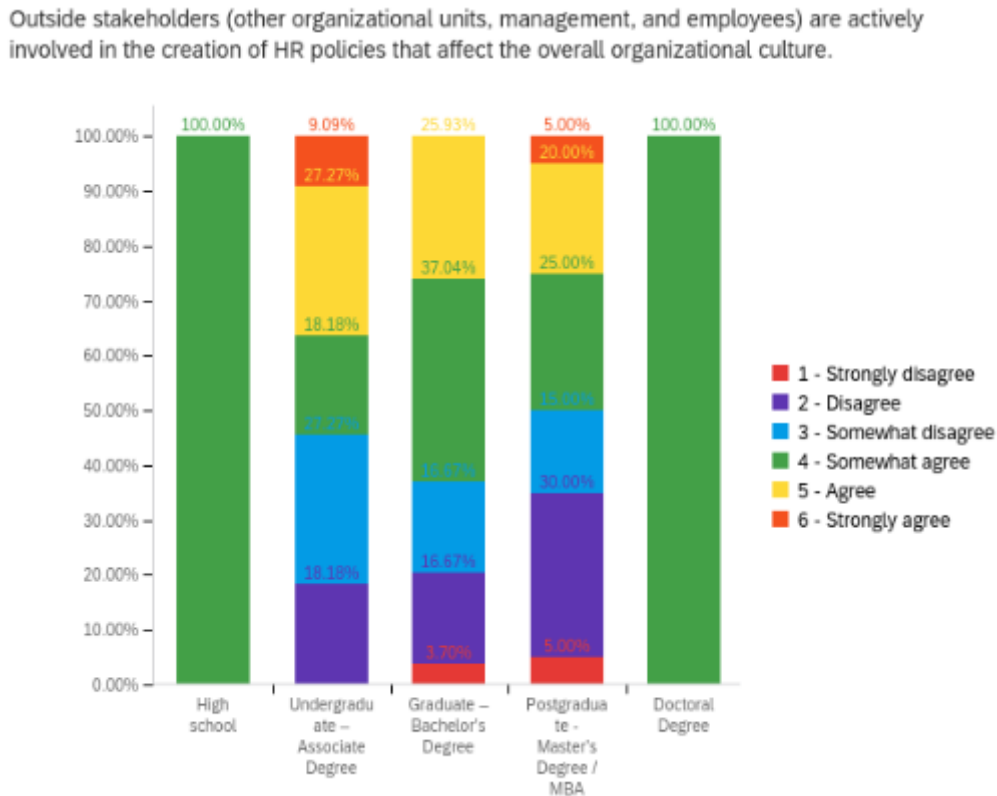


Figure 15. Outside stakeholder involvement based on education

When analyzing the section three responses based on the tenure of the participants within the organization, the data shows that average of 82.73% of 0-3 years tenure, 73.61% of 4-6 years tenure, 73.39% of 7-10 years tenure, 70.51% of 11-14 years tenure, and 80.32% of 15+ years tenure participants have the answers in the agree categories. The highest percentage of responses in the disagree categories belongs to the 11-14 years of tenure participants. In addition, this age even has a trimodal response of “Disagree”, “Somewhat agree”, and “Agree” in the questions relating to the HR involvement of employee ideas and feedback. Higher percentage of disagree categories is observed in the question relating to the design of performance management systems and involvement of outside stakeholders. Even though the 11-14 years of tenure participants have the highest average percentage of responses in disagree

categories, for two questions relating to HR actively involved in the communication of the business strategy and HR and management being co-owners in the culture development this group had no responses in the disagree categories, while other tenure groups did (Figure 16 and Figure 17).

HR is actively involved in the communication of business strategy and the desired organizational culture.

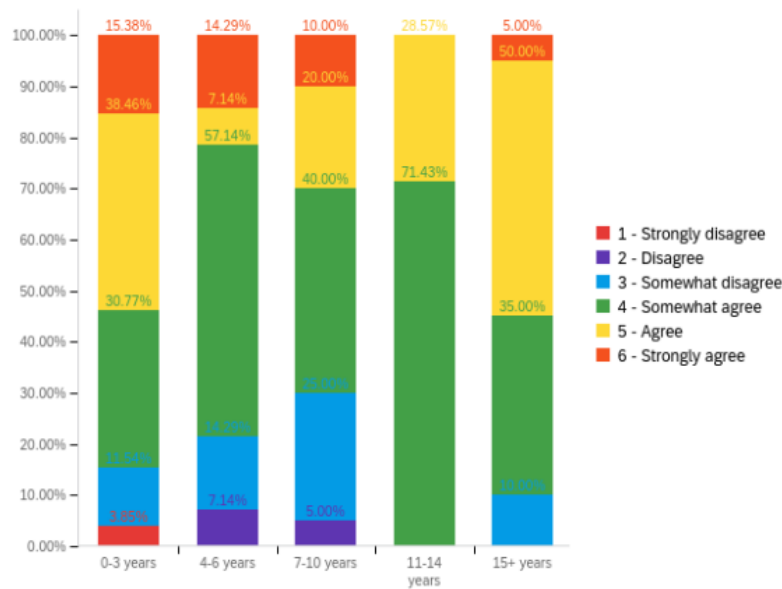
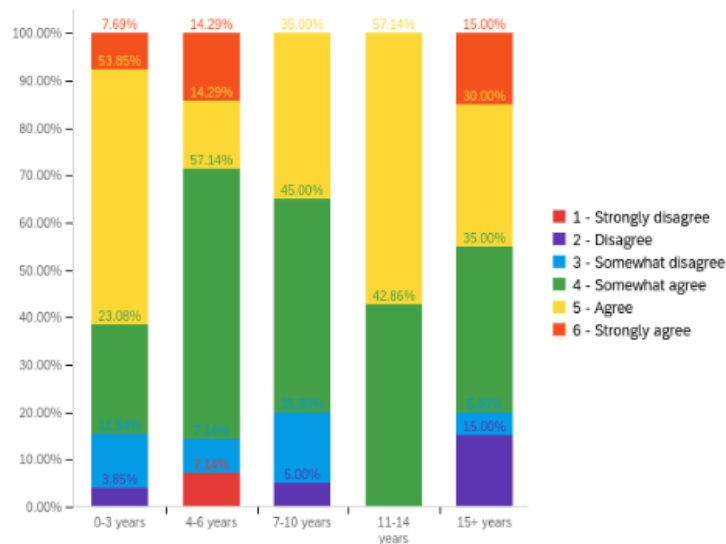


Figure 16. HR communicates strategy based on tenure

HR and management are co-owners in the development of the desired organizational culture.



HR promotes trust for management decisions regarding the organizational culture.

Figure 17. HR and management being co-owners in culture responses based on tenure

The fourth section of the survey focuses on the ranking of different business areas and functions taking into consideration their influence on the development and sustainability of the desired company culture. The analysis shows the following overall ranking based on the mean results: top management (1.51), middle management (2.98), HR (3.44), line leaders (3.71), corporate communication (4.63), health, safety and environment (further HSE) (6.98), finance (7.43), IT (7.83), operations (7.93), and facility management (8.57). The responses of HR personnel show similar ranking to the overall with the exception of IT (7.55) and Finance (7.86) exchanging places respectively. The responses of management show the following ranking: top management (1.63), middle management (2.91), HR (3.44), line leaders (3.95), corporate communication (4.86), finance (6.98), HSE (7.02), operations (7.60), IT (8.12), and facility management (8.49) (Table 10). When analyzing responses in each individual business area or function the data shows overwhelming placement of top management on the top position with 81.82% of HR personnel and 76.74% of management placing it on the number one position (Figure 18). 2.27% of HR personnel ranked the importance of HR on the first place, 31.82% on second, 9.09% on third, and 40.91% on the fourth place. In contrast, 4.65% of management ranked HR on first place, 23.26% on second, 27.91% on third, and 20.93% on the fourth place (Figure 19). Based on the conducted analysis there are no significant discrepancies from overall results in the ranking based on gender, age, education, and tenure of the participants.

Area	Minimum	Maximum	Mean	Std Deviation	Variance	Median
Top Management	1.00	8.00	1.51	1.20	1.45	1.00
Management	1.00	8.00	1.63	1.40	1.95	1.00
HR (including HR management)	1.00	5.00	1.39	0.96	0.92	1.00
Middle Management	1.00	7.00	2.98	1.36	1.86	3.00
Management	1.00	6.00	2.91	1.20	1.43	3.00
HR (including HR management)	1.00	7.00	3.05	1.51	2.27	2.50
Line Leaders	1.00	8.00	3.71	1.66	2.76	3.00
Management	1.00	7.00	3.95	1.80	3.25	4.00
HR (including HR management)	1.00	8.00	3.48	1.47	2.16	3.00
Corporate Communications	1.00	9.00	4.63	1.45	2.09	5.00
Management	2.00	9.00	4.86	1.55	2.40	5.00
HR (including HR management)	1.00	8.00	4.41	1.30	1.70	5.00
HR	1.00	7.00	3.44	1.33	1.76	4.00
Management	1.00	7.00	3.44	1.37	1.87	3.00
HR (including HR management)	1.00	7.00	3.43	1.29	1.65	4.00
Finance	2.00	10.00	7.43	1.79	3.19	8.00
Management	2.00	10.00	6.98	1.93	3.74	7.00
HR (including HR management)	3.00	10.00	7.86	1.50	2.25	8.00
Facility Management	5.00	10.00	8.57	1.25	1.55	9.00
Management	6.00	10.00	8.49	1.21	1.46	8.00
HR (including HR management)	5.00	10.00	8.66	1.28	1.63	9.00
IT	4.00	10.00	7.83	1.28	1.64	8.00
Management	6.00	10.00	8.12	1.08	1.17	8.00
HR (including HR management)	4.00	10.00	7.55	1.39	1.93	7.00
Operations	1.00	10.00	7.93	1.96	3.86	8.00
Management	1.00	10.00	7.60	2.15	4.61	8.00
HR (including HR management)	4.00	10.00	8.25	1.71	2.91	9.00
Health, safety, and environment	1.00	10.00	6.98	2.27	5.15	7.00
Management	1.00	10.00	7.02	2.67	7.14	7.00
HR (including HR management)	2.00	10.00	6.93	1.79	3.20	6.50

Table 10. Section 4 Results overall and by function

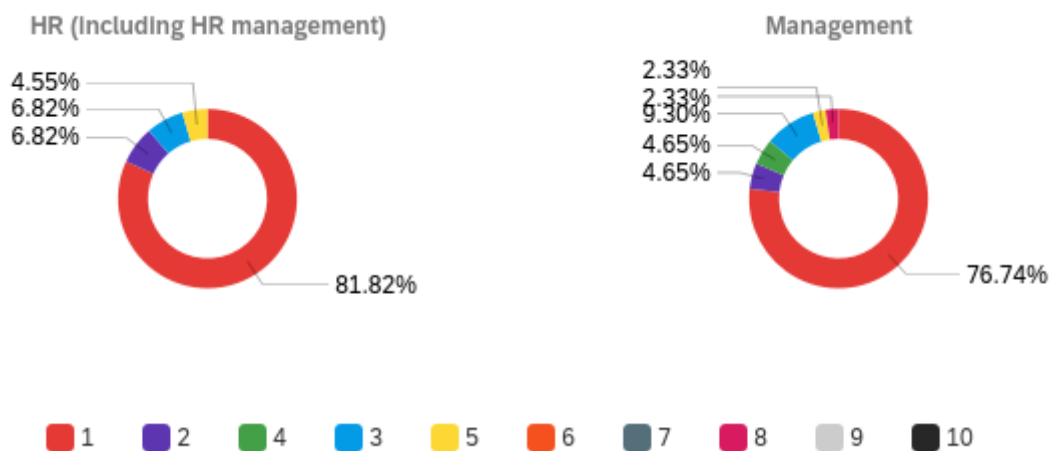


Figure 18. Ranking of top management

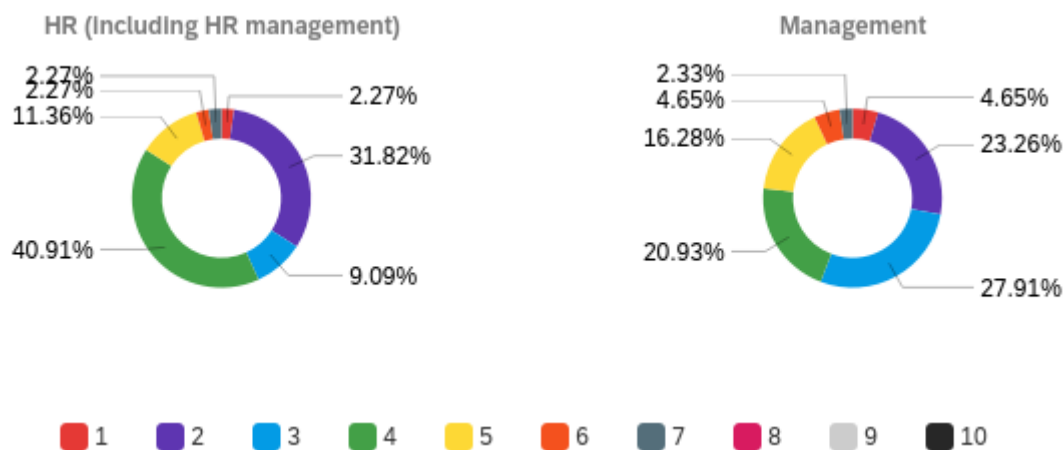


Figure 19. Ranking of HR

Discussion

The conducted survey concurs with the opinion that the research topic is complex and that there are no simple solutions to the challenges. Nonetheless, the analyzed results provide more information and thus answer the defined research questions. Isac and Remes (2018) state that organizations must harmonize business strategy and company culture in order to be successful. From the results it is observable that this topic has been tackled in many organizations within Croatia, yet the perception of the success differs between management and HR professionals. This shows that it is not just enough for management to believe that they are doing a good job on the topic, but all stakeholder feedback, including HR, has to be involved. This is why discrepancies are seen in the perceptions of HR and management regarding this aspect of building a desired company culture. A more serious issue for the organization can arise if stakeholders are not willing to provide feedback. This must be evaluated and handled appropriately, or desired company culture will never be implemented.

Additionally, the results of the survey strengthen the notion that HR and its activities are essential to the development of the desired organizational culture. Kear (2018) states that differences tend to occur between management's and HR view of the desired organizational culture. Although the survey data contradicts this notion as both management and HR

predominantly have a similar view on the HR's influence and the applicability of the implemented practices. Discrepancies that are observed are connected to the handling of conflict management and the challenging of the status quo. This difference can even be understood, as prerequisite for these topics usually is the existence of a strong company culture. This difference is also observed in relation to the implementation of creativity where both functions recognize the benefits and importance, yet the desired approach in the implementation differs.

As Kearl (2018) states the relationship between HR and culture is crucial and views of the survey participants strengthen this notion. Both the managers and HR personnel put HR high in relevance to the development of the desired organizational culture. Not only that, but the HR function is even deemed as more important than the line leaders. It is interesting that HR participants did not skewer this data, but this was also the view of the managers who have in higher percentage put HR as the most influential in the development of the desired organizational culture. The question that arises is why this is the case and why are some managers potentially not seeing their ownership in this process. Still, in line with other studies, vast majority participants agree that the organizational leadership, or top management in this case, has the biggest impact on the development of the desired organizational culture.

Managers view that HR promotes the structure in line with the desired organizational culture, yet also that HR is not always the proponent of the necessary changes. On the other hand, HR has a different view and they perceive that they are the proponents of necessary change and that they provide support to management in regard to this matter. The difference of opinion is a challenge for development of the desired organizational culture and has to be further researched as all other metrics show that this should not be the case. HR personnel in Croatia can be satisfied with how the management views their performance and their initiatives related to the development of the desired organizational culture. The results are in line with Gunn

(2002) findings that organization make HR responsible for the organizational culture. It is interesting that the results show that HR personnel are more critical of their successes than the management. This can be related again with the ownership of the whole process. HR personnel are more directly involved with the initiatives, so they are more likely to apply a critical reflection. In most cases leadership is reluctant to see their role in the development of organizational culture (Eisenber, 2017). This statement is supported through discrepancies in the evaluation of the teamwork and co-ownership between the two functions. In these areas management and HR just do not have the same views.

The most important issue HR function in Croatia has to work on is the inclusion of all stakeholders in the creation of their processes and initiatives. Data shows that more feedback from all sides should be considered and implemented in all stages. It is interesting that HR personnel see that they have to include outside stakeholders in their initiatives, but not that they should ask for and collect this stakeholder feedback. This practice potentially skews the data as per individual areas HR processes and practices are deepened effective, yet the overall perception is lower. The implementation of this change should be easier as both management and HR value knowledge sharing. This change would only bring more success to already very positive view on the effectiveness and efficiency of HR practices in Croatia.

Recommendations

This research provides inputs about management and HR personnel views on the influence of HR function on company culture. The analyzed data serves as a foundation to identify the actual differences and thus provide both sides with the development areas where their focus should be placed. If both sides do this, their actions should yield actual results. Still, this data is just the tip of the iceberg, and more individual approach needs to be applied to every organization so that more effective tailor-made solutions can be implemented.

In order to gain additional insights further qualitative research is proposed that will gain data about which exact HR processes have to be adjusted to better support the desired organizational culture. Not only that, but additional research could focus on gaining the information of how the HR function can adjust its processes and initiatives to better support management vision of the desired company culture. In addition, a more detailed look into the areas with biggest discrepancies thus provide data that should improve the overall impression. With this data both HR and management can gain insight of how to include outside stakeholders more efficiently and how more effectively they can get “buy-in” from each other.

The research topic evaluates overall HR functions in Croatia, so a deeper look can be conducted in order to identify the differences and make comparisons between practices of different organization. This analysis can provide additional data on how organizations approach this topic. Is HR aspect of culture development done by an individual or a dedicated team? Are unique practices implemented? With this analysis best practices can be identified. In addition, a more complex research can be conducted that looks at how all employees perceive the role of HR in developing organization culture. Employee and manager results can be compared, differences can be recognized, and evaluations utilized to see how these groups influence each other. As stated, the connection between HR and company culture is strong, thus the ample number of topics is no surprise, and with the everchanging environment more topics will surely arise.

With the current role as a culture development coordinator, the study provides more insights on two key stakeholders for the culture development program, management and HR. The analyzed data can be leveraged to better manage both stakeholders, thus implement more meaningful changes and have more effective results. Not only that, but the survey results can be used to instill a sense of urgency, thus result in higher support for the program. The desired outcomes of the program will also be adjusted to address the weak points of the research. In

addition, the conducted research provides useful information to all stakeholders within the organization and thus can be used to improve the cooperation between different functions and organizations. This should start with management and HR having conversations to address the bottlenecks in their cooperation. By resolving challenges that are related to culture, other aspects of their cooperation could improve as well. The survey serves as the first step in this process while any potential next steps or actions are the responsibility of each stakeholder.

Bibliography

- Acebo, M. N., & Viltard, L. A. (2018). Corporate culture: a key to stimulate innovation. *Independent Journal of Management & Production*, 9(3), 869-888. doi:<http://dx.doi.org.ezproxy.rit.edu/10.14807/ijmp.v9i3.735>
- Davis, P. J. (2017). How HR can create competitive advantage for the firm. *Human Resource Management International Digest*, 25(2), 4-6. doi:<http://dx.doi.org.ezproxy.rit.edu/10.1108/HRMID-09-2016-0122>
- Doyle, A. (2019, February 22). What is company culture? Retrieved from <https://www.thebalancecareers.com/what-is-company-culture-2062000>
- Eisenberg, A. (2017). Employers struggle with developing company culture. *Employee Benefit Adviser (Online)*, Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/1912120211?accountid=108>
- Gunn, B. (2002). Culture and control. *Strategic Finance*, 84(6), 15-16. Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/229855477?accountid=108>
- HR C-suite: How HR influences a healthy company culture* (2017). . Chatham: Newstex. Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/1944959982?accountid=108>
- Isac, F. L., PhD., & Remes, E. F., PhD. (2018). The relationship between culture and strategy – a managerial perspective approach. *Studia Universitatis "Vasile Goldis" Arad.Seria Stiinte Economice.*, 28(3), 76-85. doi:<http://dx.doi.org.ezproxy.rit.edu/10.2478/sues-2018-0016>
- Kaufman, R. (2015). The air mauritius story: How HR can impact company culture. *Strategic HR Review*, 14(1), 2-7. doi:<http://dx.doi.org.ezproxy.rit.edu/10.1108/SHR-01-2015-0010>
- Kearl, B. (2018, 04). The critical relationship between HR and company culture: 5 separate analogies brought together. *HR Strategy and Planning Excellence Essentials*, Retrieved from
- Newton, R. (2016). HR Can't change company culture by itself. *HRNews*, Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/1846090070?accountid=108>
- Reh, F. J. (2019, February 10). Learn how to develop an understanding of a company's culture. Retrieved from <https://www.thebalancecareers.com/company-culture-2275155>
- Sivakami, R., & Samitha, S. S. (2018). A study on the impact of the organizational vulture on employee performance. *International Journal of Management Research and Reviews*, 8(7), 1-8. Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/2120667189?accountid=108>

- Study: HR sharpens focus on engagement, company culture. (2018, Jun 18). *Targeted News Service* Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/2056726249?accountid=108>
- Triguero-Sánchez, R., Peña-Vinces, J., & Guillen, J. (2018). How to improve firm performance through employee diversity and organisational culture. *Revista Brasileira De Gestão De Negócios*, 20(3), 378-400.
doi:<http://dx.doi.org.ezproxy.rit.edu/10.7819/rbgn.v20i3.3303>
- Want, J. (2003). Corporate culture - illuminating the black hole. *The Journal of Business Strategy*, 24(4), 14-21. Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/202725672?accountid=108>
- Workers agree: company culture matters. (2010, Oct 04). *Business Wire* Retrieved from <https://ezproxy.rit.edu/login?url=https://search-proquest-com.ezproxy.rit.edu/docview/756205141?accountid=108>
- Woppman, G. (2010). Nurturing your culture goes to the bottom Line. *EE: Evaluation Engineering*, 49(11), 10-13. Retrieved from <http://search.ebscohost.com.ezproxy.rit.edu/login.aspx?direct=true&db=afh&AN=55192425&site=ehost-live>