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Human Resource Management Practices and their Impact on Organisational Citizenship Behaviour in the Public Sector

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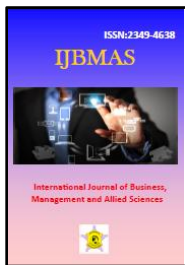
ABSTRACT

Human Resource (HR) tools and techniques cannot be applied in the same way in each and every country. Consequently, before such techniques are applied in a particular cultural context they should be investigated for appropriateness in that culture or organisational environment. This is because culture is always a man-made component of any society. It reflects the way people live, their traditions, custom and design for living. Singh (2009)[1] says that sociologists, psychologists and theorists are concerned with the popular constructs of national, organisational and societal culture.

National culture has increasingly become a key construct. It refers to the set of shared norms and beliefs amongst individuals within nationalized boundaries that are local to a specific area . This seems to suggest that culture is the nucleus around which values revolve. Hence, domestic managers of companies are deemed to be responsible for being familiar with differences in national culture and their influence on the effectiveness of the HR practices and policies.

KEYWORDS: culture, resource, psychologist, organisational and national

INTRODUCTION

Organisational culture along with relevant HR practices can be a factor, used by the organisations to create values and uniqueness themselves. The claim that organisations mirror the national culture of the country where they are located is useful in clarifying issues of constraint and management discretion in organisations. Organisations are compelled to respond and adapt to environmental pressures to follow accepted ways of doing business to be considered legitimate by their customers and investors. With certain scenarios, the institutional influences like industry specific or country specific are expected to create similarities, across the organisation, in their structure and practices.

Organisational culture is constrained by the national culture. This argument is supported by Johns (2006)[2] who views national culture as a 'contextual imperative' which constrains the organisational culture. These claims also fit with the institutional theory, but are in contrast with the perspectives for weighting management's choice and the role of uniqueness for sustained competitive advantages such as the resource based view (RBV). However, RBV focuses on and prioritizes the importance of organisation's strategy research. RBV emphasizes how an organisation becomes different or is different 'looking inside' with its rare and distinctive resources and capabilities for its

sustained competitive advantages. Hence, RBV leads to greater variance in organisational practices and attributes and supports being different. As an example it has been observed by Barney and Wright (1998)[3] that an important implication of RBV is seen in managing the resources such as 'human capital skills', 'employee commitment', 'culture' and 'teamwork' for a sustained competitive advantage. The role of culture and related concepts like distinctive values, non-substitutability and ideology are highlighted in the academic studies as characteristics that help organisations to perform better. As Lawler (2003, p. 35)[4] says "the organisational design elements of people, structure, rewards, and processes lead to … corporate culture". Moreover, Chan, Shaffer, and Snape (2004)[5], say that organisational culture greatly influences the way HR policies and practices are implemented. For example bureaucratic cultures discourage employee initiative and employees are asked to follow desired rules and regulations with little or no room for innovation or risk taking. Generally in Asian firms, particularly public sector work, with an autocratic leadership style and high power distance characteristics, rewarding innovation is hard because of little empowerment and a bureaucratic environment. In developing nations harmony is highly valued in social and work relationships and effort is taken to avoid open conflicts in comparison to the developed nations.

Discussion

Organisational Citizenship Behaviour: Organisational citizenship behaviour (OCB) is one of the most widely studied topics in organisational behaviour research. The concept of OCB was initially introduced by Bateman and Organ (1983)[6], who defined OCB as "individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organisation".

Research has been undertaken on OCB in both western and non western countries as a multidimensional concept. Extensive research has been focused on the effects of OCB on individual and organisational performance resulting in general agreement that OCB addresses silent behaviours of organisational enterprises. The survival or prosperity of organisations appears dependent upon employees behaving as good citizens by engaging in a variety of positive behaviours.

OCB has been identified with five distinct dimensions:

(a) Conscientiousness, or discretionary behaviour

(b) Altruism, or helping a specific other person with an organisationally-relevant task or problem;

(c) Civic virtue, which is behaving or indicating willingness to responsibly participate in the life of the company;

(d) Sportsmanship, which is any behaviour demonstrating tolerance of less than ideal circumstances without complaining; and

(e) Courtesy, or efforts to prevent work-related problems with others supported by[7] who views national culture as a 'contextual imperative' which constrains the organisational culture. Different national cultural values can influence leadership styles, organisational culture and how HRM practices and policies are implemented within the organisation. So national cultures differ mainly on their basic values, while organisational cultures differ more in their practices and become a visible part of culture which can be changed within cultural boundaries. The core of organisational culture is in the practices shared by its employees. Increased interest has been seen in the relationship between HRM and organisational performance and attention has focused on the importance of knowing the mechanisms through which HRM influences organisational performance. Over the last decade, HRM research has tended to focus on issues of organisation and control through optimization of the organisational work, combination of efficiency and flexibility with innovative work structure and the sophisticated management control mix. Commitment, cooperation, empowerment and self-control are at the heart of "high commitment or high involvement work systems" which provide "optimal" HRM systems. This particular approach to HRM creates a better situation for both employers and employees that can result in the implementation of newer, more flexible and adaptable work environments.

Guest and Peccei (2001)[8] indicate that employee commitment and satisfaction are associated with higher workplace performance and that HRM has an effect on employees' attitudes and behaviour. As a whole, employee's satisfaction both inside and outside work may best be linked to HRM in the context of a partnership or mutual gains system. A range of policies and practices associated with work and life satisfaction for employees and higher performance for the organisation can therefore be implemented more effectively.

Organisations are increasing their focus on improving customer service with a realization that eliciting customer oriented behaviour from employees is critical. Thus service oriented behaviours are forms of organisational citizenship behaviour (OCB). Many behaviours are difficult to specify and ensuring these resultant behaviours through HRM techniques such as training, job description and reward can be difficult. OCB is a behaviour which is beneficial for an organisation despite the difficulties of formally specifying or rewarding OCB. According to Sonnenberg, Koene, and Paauwe (2011)[9] each HRM practice can be important for elevated performance if the HRM system is focused on a specific combination of practices. High commitment and high involvement work systems are seen as "optimal" HRM systems for managing employees which better align the interests of both the employees and the organisations. Organisations that focus and commit to HRM practices are thus paying attention to, and investing in their human capital. The aggregate level of OCB behaviour demonstrated by the employees will have a positive effect on the quality of service that the organisation delivers.

Organ and Ryan (1995)[10] noted that primarily research on OCB focuses on the motivating impact of employee level variables for example attitudes, perceptions and personal dispositions. These provide guidance to the organisations to encourage OCB to improve services.

Human Resource Management Practices and Cultural Context

Hofstede (1983)[11], claimed that management is 'culturally dependent', and noted that leaders of effective organisations become accustomed to foreign management ideas within local cultures. Hofstede (2001, pp. 141-142)[12] recognized that 'there have been examples of multinationals successfully reforming local cultural traits', but 'this is a difficult task, and for best results multinational management practices should fit the local culture'.

Hofstede (1983)[11] assumes that there is face-to-face correspondence between the culture and the nation, representing a reciprocal relationship. Four dimensions of culture, Power distance, Individualism and collectivism, Masculinity and Femininity and Uncertainty avoidance, identified by Hofstede link culture to human resource management and influences how human resource practices are used and practiced.

The central role of national culture was highlighted by the Global Leadership and Organisational Behaviour Effectiveness (GLOBE) cross-cultural study of Gupta and House (2004)[13] which found an emphasis on the relationship between national culture and organisation culture that 'mirrored' each other. Gerhart (2009)[14] concluded that 'organisations mirror societies from which they originate'.

As pointed out by Nyambegera, Sparrow, and Daniels (2000)[15], has focused on management issues in Asian developing countries and identified that culturally, developing countries employees have completely different values from Western employees. Hence, Western HRM paradigms are less relevant to Asian countries because of their divergent context.

Research shows that South Asian managers are often traditionalists and have a preference for their current ways. These managers resist changes and develop culture-based, superior or subordinate relationships with regard to the local customs. These managers believe more in the value of machinery, equipment and plant of the company than in the development of human resources. Studies by Habibullah (1974)[16], Razzaque (1991)[17] observed that in South Asian Companies an autocratic approach prevails and managers favor an authoritarian style of HRM, perceiving this as equivalent to professional management. Subordinates rarely participate in managerial decision-making and 'closed door' is a common practice in South Asian companies. Psychologically, the

managers in South Asian companies are least concerned with employee participation and the participation of managers themselves in HRM practices is not noticeable. A strong vertical hierarchy and a culture of high respect for authority; equality and empowerment is little emphasized in Japanese culture. However, hindrances in convergence of HRM show that national culture may dominate approaches to the way in which companies run. As such, due to the cultural differences and preferences a country's emphasis differs i.e. USA-standardization of output, French-standardization of processes, German-standardization of skills and Japanese-standardization of values. These cultural differences and preferences influence their attitudes to HRM practices and policies. This is why USA, UK and German companies are inclined to openness and equality and companies in these countries lean towards flexible working conditions and decentralization.

Faulkner et al. (2002)[18] also examine an alternative view which supports the convergence in HRM practices across nations. They argue that with increasing globalization, spreading industrialization and technological change across national cultures management practices will converge into a single best practice internationally. Earlier Woodward (1958)[19] noted that technology plays a stronger role in establishing organisation structures than culture. Similarly, Kerr, Dunlop, Harbison, and Myers (1962)[20], mentioned that industrialization and technological advancements tend to make for similar organisational superstructures. Haraoki (1986)[21] and other have claimed that cultural differences have less importance in designing international organisational practices, although management and personnel management practices are slightly influenced by national culture. For example, in the UK Japanese manufacturing companies introduced personnel practices that best fit the business strategy instead of traditional Japanese practices. Prentice (1990)[22] also believes that best management practices or style will evolve in the future irrespective of culture. Alternatively, claimed that national culture is not the only key to establishing HRM strategies. The organisational philosophy of the company and the country's rules and regulations when setting the HRM strategy in any organisation are more important.

There has been a mixed response regarding the idea of convergence in HRM practices, some commentators emphasize that there is a need to adapt to local conditions and cultures, because it is culture that shapes the organisation and its employee's attitudes. Others such as Cooper (1998)[23] proposed the convergence in HRM practices and believed that an organisation's tendency is towards increasing or adopting similar successful practices. This is due to the influence of improved technological transfers, organisational collaborations and global communication. Despite their location organisations are becoming more alike in their operations, structures, functions and technologies. Managers are inclined to hold common behaviours and attitudes in spite of cultural differences.

Ngo, Turban, Lau, and Lui (1998)[24] emphasized that the essential factors to highlight are global integration and local adaptation. Globalization and responsiveness to the complexities involved in cross-cultural interactions has been expanding. At the micro level, behaviour of individuals, experiences, perceptions and values vary within national and ethnic cultures. As a result, to be successful in the new economy it is recognized that it is important to be familiar with other cultures, their behaviours, perception, values and impact on the organisation. Internationalization of business and mobility in the global labour market has created difficulties and failure of international business due to a lack of understanding of the cultural background rather than that of market conditions.

Businesses are continuing to expand into more diverse environments therefore it is important to establish or determine the organisations abilities to deliver services in such heterogeneous markets. According to Palich and Gomez-Mejia (1999)[25] globalisation has enhanced managerial and marketing adoption due to the exposure to differences in national cultures. National cultural values have shaped managerial behaviours and strategy formulation. Therefore, cultural factors are very important in HRM policy development, because transfer from one culture to another is very difficult so the more similar the culture, the easier the transfer. Hodgetts and Luthans (1990)[26] also assert that, most HRM

practices cannot be exactly transferred because of the cultural diversity between one country and another. Due to the growing involvement of HRM in planning and corporate decision making, the analysis of organisational culture and HR functions has become very important. While analysing organisational culture the HR manager can maximise organisation usefulness through an understanding of the traditions, moral dilemmas, political manoeuvrings, myths and biases that reflect organisational realities. Therefore, HR executives should better understand the organisational cultural implication of HR functions such as reward, promotion and performance appraisals. This is important because HRM is involved in planning and implementing of plans as well as day to day decision making. The focus on clear rules, procedures and expected behaviours was appropriate to underpin this study because understanding organisational practices in a cross-cultural context, is helpful to provide structure and process to direct employee behaviours to support organisational goals. The impact of institutional rules and expectations on OC is considered to be both a constraining and shaping factor in terms of OC development, and therefore as organisations are symbolic entities they perform according to culturally determined models which reinforce underlying cultural values and norms. In the organisational context, organisational culture is a common variable and is viewed as organisational traits comprising mindsets, outlooks and behaviours. Given the relevance of organisational culture to a diverse set of organisational and psychological variables and a way in which the firm conducts its business there is agreement that organisational culture is a useful construct. More recently many organisations have devoted considerable resources to make organisational culture a centre of attention and motivating efficient employees to improve performance. McCausland, Pouliakas, and Theodossiou (2005)[27] linked these concerns to the underlying socio-economics of performance of employees in relation to alternative reward policies. Both extrinsic rewards such as pay, benefits and promotions and intrinsic rewards such as doing meaningful work, increase employees' sense of self-esteem or self-worth, and both types of reward are considered to influence outcomes that include work involvement, turnover and overall organisational performance. Employees efforts in productive activities are governed by two main aspects. Firstly, they determine which and how much effort to invest at the organisation, and secondly they determine opportunities for promotion with a pay rise. This is a consequences based activity where employees feel encouraged and satisfied if their efforts are valued and they have a chance to prove to managers their suitability for promotion. On the contrary they put in less effort when they feel discouraged and unhappy (Epstein & Ward, 2006). Thus rewards are considered as an exchange process of employee efforts to achieve organisational objectives.

Promotion Practices and Performance Appraisal System

There is a well established tradition that promotion plays a dual role in an organisation:

1) Assigning a job that is best suited to the employees' capabilities, and
2) As an incentive for performing well in the job.

Promotion establishes a sense of discipline among managers because of its characteristics such as performance related pay in which managers ensure that the most suitable employee is promoted for the higher level job, and given appropriate salary increases. Organisations need to play a role in the justice relationship between promotion decisions and employee reactions as employees with fair justice perceptions of rewards, such as promotion into higher level attachments, will have positive motivation and encouragement. Greenberg (1986)[28] surveyed decisions about promotion opportunities and pay increases and found that for the fair distribution of rewards, decisions of promotion and pay increases should be based on actual performance. One of the core objectives of performance appraisal is to determine the employees' potential for promotion to higher level jobs. Criterion for promotion includes both abstract factors such as experience, personality traits, knowledge and interpersonal relationship and concrete factors such as seniority, educational level, and performance. Chiu (2009)[29] states that it is not necessary to consider all these factors when promoting an employee, it depends on the organisational requirement and position. Organisations are facing two essential challenges to enhance the productivity of their workforce: an appropriate

incentive scheme to encourage employees to put in efforts, and a mechanism for selection of the most suitable employee. Resulting rewards for performance encourage an employee to perform better and serve as a selection device. Performance of any institution is based on the employees' competency and performance. Furthermore, Qiao and Wang (2009)[30] found in their investigations that promotions played a vital role in enhancing work performance.

Reward Management System and Performance Appraisal System

The rise of reward management has remained unchallenged. Many advocate it as the "best thing since sliced bread", although gauging reward management alone as a practice and concept has been seen as difficult. Designing rewards to increase performance is one of the core objectives of reward management. This practice is praised and has prevailed for the last 35 years in continuing attempts to link rewards to performance in both public and private sectors. In this regard reward systems and employees' performance have been the focus of +mechanisms to align employees' actions with output delivery. Performance based reward systems came to prominence in the 1980s for public sector employees including education, health and civil service. These rewards are perceived to impart more benefits to employees than previous reward management approaches. Murlis and Wright (1985)[31] argue that some performance based rewards, which were initially implemented in both private and public sectors, are still in place and this invites attention to get things done right.

CONCLUSION

A clearer expectation of organisational leaders enhances employee understanding of the link between rewards and resulting performance. Reward systems and performance appraisal systems promote output, performance standards, accountability and achievable targets in the public sector. However, Flury and Schedler[32] argue that effective adoption of rewards and performance appraisal systems seems complex in public sector organisations. Although authors such as Fay and Thompson (2001)[33] assert that there is an assumption that employee performance can be improved through developing an unambiguous link between contribution and rewards with specified objectives. This could be achieved through planning of objectives in terms of professional development, quality outcomes and competencies. Management literature identifies various limitations to the actual practices of reward and performance appraisal. Problems arise between the appraiser and appraise in setting situational factors, uncontrollable performance constraints, fairness towards perceptions of appraisals and planning periodic goals. These problems create crises within the employee and employer relationships, ultimately leading to increased friction that can make the situation worse within the organisation. Thus implementation of actual appraisals and reward management systems may be difficult due to the complex setting of public sector organisations. To resolve these issues managers need to have the necessary proficiency, knowledge and capacity skills, particularly in public sector bureaucrats, to exert practices of reward and performance appraisal.

The reward an employee receives in return for the contribution made in the workplace, and the only practice that managers employ to evaluate employee contribution and work dynamics among employees is performance appraisal . Unfair perception of rewards leads to unhappy and unhelpful feelings among employees and is likely to lead to poor performance.

Reward Management System and National Culture

The scope of reward or compensation is divergent, offering varying formats in different corners of the world. The various categories of reward are commonly described as extrinsic or tangible including pay and benefits, and intrinsic or intangible including work satisfaction and recognition in the workplace. Another category is 'total reward' that includes a strategic coherence of extrinsic and intrinsic rewards. These rewards include pay, recognition, work life balance, employee development and performance feedback

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