# COMPETATIVE ADVANTAGE THROUGH INTERNAL PERSEPTION OF ORGANIZATIONAL CULTURE

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**Competitive Advantage through Internal Perception of Organizational Culture**

Current business environment has become more complicated and advanced. Therefore, an organization should sustain its competitive advantage to ensure the business survival. An organization may enhance its business competitive advantage through their employees. This paper attempts to discuss relationship between the internal perceptions of organizational culture and strategic human resource management. A cross-sectional survey was performed to identify the current scenario of internal perception among 187 employees in Malaysian broadcasting industry. Research results showed that there were different means score in each dimension of the studied organizational culture and strategic human resource management. There exist significance correlations and regressions among the variables. The research findings suggest that the relationship between organizational culture and strategic human resource management influence the competitive advantage of the Malaysia broadcasting industry.

**Keywords**: Organizational culture, competitive advantage, and strategic human resource management.

# 1.0    INTRODUCTION

Current business environment has move towards globalization and liberalization market in which technology revolutionize faster and organization structure change according to business need, and as a consequence push an organization to be more competitive. Thus, organizations need to be more creative to remain their competitive advantage through various sources. However, organizations can only control influence of internal environment factors such as skill, knowledge and ability of their human resource, capital and financial resource, and value of their employees. Inevitably, an organization should sustain its competitive advantage to ensure the business survival. An essential alternative is to enhance the business competitive advantage is through their employees. A good organizational internal environment should be able to support the development of employees' ability, capability and competency in attaining the mission of human resource in an organization.

In the Malaysian Third Long Term Plan Framework (RRJP 3), the government has given priority to the enhancement and development of the nation's strength and competitiveness through core strategic development. The core strategic development is the pillar to face the global competition by means of productivity improvement, enhancement in science and technology, development of entrepreneurship, and development of world class public sector and organization; and strengthen the economy based on the concept of knowledge economy (K-economy and K-society) and develop the human resource. In human resource management perspective, an organization with a good organizational internal environment may sustain the business survival through good development of workers' ability, capability and competency as wished by the organization.

# 2.0    LITERITURE REVIEW

## 2.1    Organizational Culture

Various definitions of organization culture have been debated by many researchers whether from the perspective of social anthropology, sociology and psychology, that gives different meanings from the theoretical, epistemological and methodological point of view (Pettigrew, 1979 & 1990). Asma Abdullah (2007), stressed that the concept of organizational culture has been used in various knowledge disciplines, thus, we should study the variety of elements that form such a culture. Schein (1997), in his theory related to organizational culture has identified three levels of organizational culture; artifacts, espoused values and basic assumptions. He also defined organizational culture as the specific collection of values and norms shared by people and groups in an organization that control the way they interact with each other and stakeholder in the organization. Ashkansy, Brodfoot and Falkus (2000), stated all the three levels of organizational culture proposed by Schein clarify the definitions given by researcher; that is depends on two factors for instance the studied organizational culture and method employed.

Van den Post, Coning, and Smith (1997), mentioned organizational culture referred to shared meaningful organization system among the organization group members that become an acceptable behavior or otherwise. The shared organization system is described by the formation of believes, values, technology and tasks in the organization, and is relevant to all members in the organization to achieve the organization's target. Armstrong (2000), agreed that organizational culture is the pattern of establishment of values, norms, believes, attitudes, and assumptions of workers toward their organization. All these elements are integrated and formed directly to show such a matter is determined and represent the members in an organization.

## 2.2    Strategic Human Resources Management Approach

Azhar and Faruq (1999), in their study on strategic human resource management evolution found that the concept of strategic human resource management is different among researchers because they presume the concept differently such as:-

i.      Some researchers viewed human resource management and strategic human resource management as one subject,

ii.   There are researchers that classified activities in strategic human resource management are for the level of strategic management in the organization,

iii.  There are also researchers who claimed process involved in human resource management that relate to strategic function of the organization as the strategic human resource management, and

iv.   Some researchers reported an organization that employ strategic human resource management to achieve the organizational goals is referred as strategic human resource management.

Thus, Azhar and Faruq (1999) concluded that strategic human resource management consists of few characteristics with further explanation such as:

i.    Semantic problems are between human resource management with strategic human resource management,

ii.   Strategic human resource management is one of the strategic human resource area,

iii.  Every process in the human resource management relates to strategic aspect is known as strategic human resource management,

iv.   If every process in the strategic human resource management or function of human resource management are related to organizational strategy, thus it is known as strategic human resource management,

v.    Strategic human resource management is not fully dependent on business strategy only,

vi.   Both concepts either human resource management or strategic human resource management place their workers as the strategic resources, and

vii.  The prime objective in strategic human resource management is to create organizational competitive advantage through human resource ownership.


On the other hand, strategic human resource management as the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goal (Wright and McMahan, 1992). Thus, the aim of human resource management is to provide future direction that is to manage workers in an organization according to the long term plan of the human resource management align with the entire organizational strategic planning. Therefore, strategic human resource management relates to integration and adaptation so as to ensure human resource management is fully integrated with the strategic requirements and organization strategy, policies of human resource which includes policy cross-over, and internal organizational hierarchy, and human resource practices that is acceptable and shared among workers and management in everyday life (Ferris, Arthur, Berkson and Kaplan, 1998).


2.3    The Need of Organizational Culture to an Organization

Organization is a complex system and operates in a dynamic environment. Therefore, a clear understanding regarding the influence of internal and external environment such as organizational culture, organizational structure, human resource, technology, market trend and economic growth is needed to manage such a complex system. Hence, it became a management challenge to design a total management approach ideal and capable to increase organization competitive advantage to meet global market challenge. Organizational culture is also a control mechanism upon behavior, norms, and values towards task that need to be implemented. Besides, through human resource practices such as planning and staffing; performance appraisal and compensation; and selection and socialization, organizational characteristics are integrated to the employees (Schneirder, 1988).

Jaafar Muhamad (2007), stated discussion on organizational culture is directly related to work culture being practiced in an organization. Management and work culture share a strong relation where management is the mechanism to create conducive and excellent work culture in order to ensure higher productivity. Therefore, to achieve organizational missions and visions, each and every employee needs to demonstrate the culture through their work practice (Asma Abdullah, 2007).

## 2.4 Relationship and Influence of Organizational Culture towards Human Resource Management Approach

Corbett and Rastick (2000), found different organizational culture presented different correlation towards performance quality. The results illustrated performance quality is the indicator for success of an organization. Thus, for an organization to transform its culture, it is very important for the organization to understand and identify its own culture and quality performance to be more effective. A study by Silverthorne (2004), confirmed different dimensions of organizational culture have different impact on the organizational commitment. Research findings also showed organizational culture plays an important role towards every level of organizational commitment.

Another research by Flamholtz and Kannan-Narasimhan (2005), in their study discovered different organizational culture has different influence and relationship towards financial performance of an organization. In short, previous studies proved organizational culture should be given an attention as a focus issue rather than edge issue because organizational culture produces different scenarios to financial performance in an organization.

## 2.5 Competitive Advantage through Strategic Human Resources Management Approach

Strategic human resources management refers to the overall direction an organization wishes to pursue in achieving its objectives through employees, and they are the asset to the organization, and become a major source of competitive advantage (Armstrong, 2000). Strategic human resource management approach focuses on aligning internally consistent human resource management practices to build employees' knowledge, skills and abilities in an effort to support organization competitive advantage. Organization creates their competitive advantage through implementation of unique work practice aligns with the overall strategic human resource management and business strategy. Competitive advantage can best be achieved by seeking improvement in the management of people, in other words, through better utilization of human resources. From the standpoint of researchers interested in competitive advantage, the resource-based view of an organization provides a framework for examining the rule of human resources in competitive success, and forces us to think more clearly about the quality of the workforce skills at various levels and the quality of the motivation climate created by strategic human resource management (Boxall 1996).

The characterization of workers as organizations assets has important implications to the strategic human resource management to allow the management create and develop human resources activities to achieve organizational objectives and vision. On the other hand, employee role behavior is one of the elements of competitive strategies proposed by Schuler and Jackson (1987). There are 12 items along which employees' role behaviors such as highly creative and innovative; skill applications; job involvement; concern for quality; risk taking; and responsibility, developed the specific skills, knowledge and abilities required by the task to ensure they can perform a particular task align with the organization needs. An organization may have the possibility of generating human capital advantage through recruiting and retaining outstanding employees, through capturing a stock of exceptional human talent, talent with productive possibilities. Human process advantage may be understood as a function of causally ambiguous, socially complex, historically evolved process such as learning, co-operation and innovation, which are very difficult to imitate. So, the decision of an organization would sustain the best employees in organization with best behavior to support the organization business processes. These actions will pursue the organization to have and sustain competitive advantage. Competitive advantage can occur only in situations of organization resource heterogeneity and organization resource immobility, whereas sustained competitive advantage exists only when other organizations are incapable of duplicating the benefits of a competitive advantage.

### 3.0 OPREATIONAL DEFINITION

3.1     Organizational Culture

Organizational culture is the set of operating principles that determine how people behave within the context of the company. Underlying the observable behaviors of people are the beliefs, values, and assumptions that dictate their actions.

3.2     Dimension of Organizational Culture

According to van den Berg and Wilderom (2004), dimensions of organizational culture are divided into five; autonomy, external orientation, interdepartmental coordination, human resource orientation and improvement orientation.

3.3     Strategic Human Resource Management

Strategic human resource management defines as the formation and development of human resource management activities align with the mission and strategy of an organization. The organizational strategy plans are based on internal and external climate analysis hoped to be able to generate programs and human resource management practices correspond to the organization's aspiration (Armstrong, 2000 and 2003).

3.4     Dimension of Strategic Human Resource Management Approach

This research applied the model with business orientation introduced by Armstrong (2000 and 2003), where dimension of strategic human resource management refers to work practices that become a routine in an organization for the continuity of its mission and strategy. The practices can be divided into three forms of practices; i) high performance work practices; ii) high commitment work practices and; iii) high involvement work practices.

### 4.0 RESEARCH OBJECTIVE

The objective of this research is to determine the internal perception of employees through the relationship and influence of organizational culture towards strategic human resource management approach in Malaysian broadcasting industry.

### 5.0 METHOD

This research applied two variables; strategic human resource management approach as the dependent variable, and organizational culture as the independent variable. Questionnaire sets were distributed to all levels of employees in the studied organizations. Modification of organizational culture adapted from van den Berg and Wilderom (2004), and van den Post, de Coning and M. Smith (1997) were used as the instrument measurement. Some modifications applied in this research are redefinition and reorganization of items included in the questionnaires to meet all the five dimensions proposed by van den Berg and Wilderom (2004). While dimension for organizational strategic human resource management includes high performance management, high commitment management, and high involvement management was adapted from Armstrong (2000). All items in the questionnaires used 1 (do not agree significantly) to 5 (agreed significantly) Likert scale. This study involved organizations from the broadcasting industries in Malaysia. About 187 respondents from all levels of workers/management replied complete questionnaires needed for the research analyses.

Factor analyses were performed to all items in the dependent and independent variables. The analyses were carried out to summarize items with high inter-correlation to form meaningful variables in the respective factors. From the results of the factor analyses, appeared six factors of organizational culture and four factors of strategic human resource approach management as outline in Table 1.0.

Table 1.0: Overall result of factor analyses upon variables studied

| Variables | KMO | Barlet's Test of Sphericity (significance) | Total Cumulative Percentages Variance | Number of items | Reliability Test ( ) |
|---|---|---|---|---|---|
| Organizational culture | 0.844 | 0.00 | 71.584% | 28 | 0.933 |
| 1. Product improvement orientation | | | | 7 | 0.869 |
| 2. Customer need orientation | | | | 6 | 0.913 |
| 3. Quality of employee orientation | | | | 6 | 0.871 |
| 4. Freedom of task execution orientation | | | | 3 | 0.709 |
| 5. Perception towards employee orientation | | | | 3 | 0.796 |
| 6. Interdepartmental coordination orientation | | | | 3 | 0.815 |
| Strategic human resource management approach | 0.809 | 0.00 | 57.947% | 36 | 0.947 |
| 1. High involvement work practices | | | | 12 | 0.917 |
| 2. High commitment work practices | | | | 11 | 0.904 |
| 3. High performance work practices | | | | 9 | 0.887 |
| 4. High rewards work practices | | | | 4 | 0.823 |

## 6.0 FINDINGS

### 6.1 Demographic Profiles

In order to study the internal perception of organizational culture, it is very important to know the demographic description of the selected respondents. Table 2.0 illustrates the findings of the demographic pattern. Majority of the respondents are above 30 years of age; 62% (116) of the respondents earn at least diploma for their education level; 65% of respondent have tenure of services for five years and above; more than half of the respondents are supportive staff and perform operational job.

Table 2.0: Demographic Profil

| n = 187 | | | |
|---|---|---|---|
| Demographic Factors | Clasifications | Frecuency (person) | Percentage (%) |
| Age | Below 30 Years | 50 | 26.7 |
| | 30 to 39 Years | 111 | 59.4 |
| | 40 and above | 26 | 13.9 |
| Level of Education | Secondary School | 71 | 38.0 |
| | Diploma | 39 | 20.9 |
| | Degree | 71 | 38.0 |
| | Master | 6 | 3.2 |
| Tenure of Services | Below 5 Years | 65 | 34.8 |
| | 5 to 10 Years | 55 | 29.4 |
| | Above 10 Years | 67 | 35.8 |
| Job Categorical | Operational | 103 | 55.1 |
| | Non Operational | 84 | 44.9 |
| Position Categorical | Profesional and Management | 84 | 44.9 |
| | Supportive | 103 | 55.1 |

6.2 Means and Standard Deviations for Organizational Culture and Strategic Human Resource Management Approach

A simple approach using mean and standard deviation has been carried out to study the demographic factors of respondents with the dimension organizational culture. Each of the five demographic factor has a score (1 through 5) on each of the six dimensions of organizational culture and strategic human resource management approach. Table 3.0 displays the different means score between demographic factors and dimensions of organizational culture.

Table 3.0: Organizational Culture Mean and Standard Deviation Results.

| Demographic Factors | | | Product improvement orientation | Customer need orientation | Quality of employee orientation | Freedom of task execution orientation | Perception towards employee orientation | Interdepartmental coordination orientation |
|---|---|---|---|---|---|---|---|---|
| Age | Below 30 Years | Mean | 3.85 | 3.71 | 3.83 | 3.63 | 3.15 | 3.80 |
| | | Std. dev. | 0.63 | 0.70 | 0.63 | 0.52 | 1.13 | 0.73 |
| | 30 to 39 Years | Mean | 3.71 | 3.53 | 3.55 | 3.43 | 3.35 | 3.59 |
| | | Std. dev | 0.69 | 0.91 | 0.76 | 0.84 | 0.95 | 0.94 |
| | 40 and above | Mean | 3.89 | 3.65 | 3.83 | 3.37 | 3.77 | 3.49 |
| | | Std. dev | 0.65 | 1.09 | 0.76 | 1.10 | 0.89 | 0.90 |
| Level of Education | Secondary School | Mean | 3.54 | 3.94 | 3.42 | 3.23 | 3.39 | 3.27 |
| | | Std. dev | 0.65 | 0.96 | 0.79 | 0.77 | 0.86 | 0.98 |
| | Diploma | Mean | 3.71 | 3.55 | 3.75 | 3.48 | 3.49 | 3.99 |
| | | Std. dev | 0.63 | 0.82 | 0.74 | 0.55 | 0.78 | 0.76 |
| | Degree | Mean | 4.06 | 3.85 | 3.92 | 3.78 | 3.18 | 3.85 |
| | | Std. dev | 0.63 | 0.84 | 0.61 | 0.88 | 1.23 | 0.72 |
| | Master | Mean | 3.50 | 3.25 | 3.08 | 2.83 | 4.00 | 3.00 |
| | | Std. dev. | 0.23 | 0.09 | 0.82 | 0.55 | 0.37 | 0.37 |
| Tenure of Services | Below 5 Years | Mean | 3.76 | 3.68 | 3.78 | 3.63 | 2.91 | 3.74 |
| | | Std. dev | 0.67 | 0.81 | 0.62 | 0.63 | 1.07 | 0.69 |
| | 5 to 10 Years | Mean | 3.78 | 3.61 | 3.82 | 3.57 | 3.39 | 3.70 |
| | | Std. dev | 0.69 | 0.79 | 0.70 | 0.78 | 0.97 | 0.97 |
| | Above 10 Years | Mean | 3.77 | 3.51 | 3.44 | 3.25 | 3.75 | 3.47 |
| | | Std. dev | 0.65 | 1.03 | 0.85 | 0.95 | 0.77 | 0.97 |
| Job Categorical | Non Operational | Mean | 3.91 | 3.78 | 3.81 | 3.63 | 3.39 | 3.82 |
| | | Std. dev | 0.58 | 0.75 | 0.68 | 0.75 | 1.12 | 0.84 |
| | Operational | Mean | 3.60 | 3.37 | 3.50 | 3.29 | 3.31 | 3.40 |
| | | Std. dev. | 0.73 | 0.99 | 0.80 | 0.86 | 0.87 | 0.90 |
| Position Categorical | Profesional and Management | Mean | 3.96 | 3.74 | 3.80 | 3.65 | 3.28 | 3.72 |
| | | Std. dev | 0.63 | 0.83 | 0.69 | 0.89 | 1.16 | 0.78 |
| | Supportive | Mean | 3.62 | 3.48 | 3.57 | 3.33 | 3.41 | 3.56 |
| | | Std. dev | 0.66 | 0.92 | 0.78 | 0.72 | 0.86 | 0.96 |

Generally, almost all means for demographic factors and organizational culture scored above 3 and above, while the standard deviation considered small. Employees whom are below 40 year-old, and tenure of service less than 10 years scored lower mean in perception towards employee orientation. Workers in the operational; and professional and management categorical showed the highest means score in all dimensions of organizational culture compared to non operational and supportive staff. Table 4.0 illustrates the mean scores for the strategic human resource management approaches that are 2.63 to 4.25. Employees whom are master level score lower means for high rewards work practices, and employees with degree for their education score the highest means of high involvement work practices.

Table 4.0: Organizational Culture Mean and Standard Deviation Results.

| Demographic Factors | | | High involvement work practices | High commitment work practices | High performance work practices | High rewards work practices |
|---|---|---|---|---|---|---|
| Age | Below 30 Years | Mean | 3.90 | 4.00 | 3.80 | 3.98 |
| | | Std. dev. | 0.66 | 0.76 | 0.60 | 1.09 |
| | 30 to 39 Years | Mean | 3.97 | 3.77 | 3.54 | 3.71 |
| | | Std. dev | 0.64 | 0.68 | 0.78 | 0.74 |
| | 40 and above | Mean | 4.04 | 3.70 | 3.65 | 3.17 |
| | | Std. dev | 0.50 | 0.73 | 0.89 | 0.93 |
| Level of Education | Secondary School | Mean | 3.67 | 3.62 | 3.25 | 3.61 |
| | | Std. dev | 0.65 | 0.64 | 0.76 | 0.83 |
| | Diploma | Mean | 3.95 | 3.92 | 3.62 | 4.07 |
| | | Std. dev | 0.44 | 0.51 | 0.66 | 0.64 |
| | Degree | Mean | 4.25 | 4.04 | 3.98 | 3.68 |
| | | Std. dev | 0.58 | 0.80 | 0.64 | 1.04 |
| | Master | Mean | 4.00 | 3.12 | 3.83 | 2.63 |
| | | Std. dev. | 0.00 | 0.69 | 0.43 | 0.14 |
| Tenure of Services | Below 5 Years | Mean | 3.90 | 4.08 | 3.66 | 4.05 |
| | | Std. dev | 0.66 | 0.71 | 0.85 | 1.03 |
| | 5 to 10 Years | Mean | 4.17 | 3.92 | 3.70 | 3.67 |
| | | Std. dev | 0.44 | 0.46 | 0.62 | 0.69 |
| | Above 10 Years | Mean | 3.85 | 3.49 | 3.52 | 3.39 |
| | | Std. dev | 0.69 | 0.77 | 0.76 | 0.82 |
| Job Categorical | Non Operational | Mean | 4.00 | 3.90 | 3.82 | 3.79 |
| | | Std. dev | 0.63 | 0.78 | 0.65 | 0.92 |
| | Operational | Mean | 3.91 | 3.73 | 3.38 | 3.60 |
| | | Std. dev. | 0.62 | 0.62 | 0.80 | 0.88 |
| Position Categorical | Profesional and Management | Mean | 4.18 | 3.92 | 3.93 | 3.63 |
| | | Std. dev | 0.59 | 0.82 | 0.62 | 1.02 |
| | Supportive | Mean | 3.79 | 3.75 | 3.38 | 3.76 |
| | | Std. dev | 0.60 | 0.61 | 0.77 | 0.79 |

6.3     Relationship of Organizational Culture and Competitive Advantage (Strategic Human Resource Management Approach)

6.3.1    Relationship of Organizational Culture and High Performance Work Practice

The results of Pearson correlation analyses showed there are five significance correlations between organizational culture with high performance work practice; organizational culture with product improvement orientation ($r=0.580$); customer need orientation ($r=0.525$); quality of employee orientation ($r=0.587$); freedom of task execution orientation ($r=0.468$); and interdepartmental coordination orientation ($r=0.617$). However there is no significance relationship between organizational culture with perception towards employee orientation and high performance work practice.

### 6.3.2 Relationship of Organizational Culture and High Commitment Work Practice

All six dimensions of organizational culture have significance correlations with high commitment work practice. Five of them showed positive significance correlation which are the organizational culture with product improvement orientation ($r=0.478$); customer need orientation ($r=0.525$); quality of employee orientation ($r=0.587$); freedom of task execution orientation ($r=0.410$); and interdepartmental coordination orientation ($r=0.451$). While, correlation between organizational culture with perception towards employee orientation ($r=-0.251$) and high commitment work practice score negative significance.

### 6.3.3 Relationship of Organizational Culture and High Involvement Work Practice

Pearson correlation analyses showed there are five positive significance correlations between organizational culture and high involvement work practice; organizational culture with product improvement orientation ($r=0.663$); customer need orientation ($r=0.633$); quality of employee orientation ($r=0.659$); freedom of task execution orientation ($r=0.507$); and interdepartmental coordination orientation ($r=0.617$). It implied the degree of correlation between five dimensions of organizational culture and high performance work practice correlate at a moderate level.

### 6.3.4 Relationship of Organizational Culture and High Rewards Work Practice

The result from Table 5.0 showed that all dimensions of organizational culture have significance correlations with high rewards work practice but the degree of correlation are very week. Five positive significance correlations between organizational culture and high rewards work practice are organizational culture with product improvement orientation ($r=0.158$); customer need orientation ($r=0.271$); quality of employee orientation ($r=0.224$); freedom of task execution orientation ($r=0.282$); and interdepartmental coordination orientation ($r=0.343$). However, the negative significance correlation between organizational culture with perception towards employee orientation ($r=-0.423$) and high rewards work practice are at moderate level.

Table 5.0 Pearson correlation analyses result for organizational culture relationship with competitive advantage

| No. | Organizational Culture | Competitive Advantage | | | | |
|-----|-----|-----|-----|-----|-----|-----|
| | | SHRM | High Performance Work Practice | High Commitment Work Practice | High Involvement Work Practice | High Reward Work Practice |
| 1. | Product improvement orientation | 0.629** | 0.580** | 0.478** | 0.663** | 0.158** |
| 2. | Customer need orientation | 0.595** | 0.525** | 0.525** | 0.633** | 0.271** |
| 3. | Quality of employee orientation | 0.663** | 0.587** | 0.587** | 0.659** | 0.224** |
| 4. | Freedom of task execution orientation | 0.535** | 0.468** | 0.410** | 0.507** | 0.282** |
| 5. | Perception towards employee orientation | −0.187* | −0.084 | -0.251** | 0.032 | -0.423** |
| 6. | Interdepartmental coordination orientation | 0.605* | 0.617** | 0.451** | 0.481** | 0.343** |

*\*\* $p<0.01$;  \* $p<0.05$*

# 7.0 INFLUENCE AND CONTRIBUTION OF ORGANIZATIONAL CULTURE TOWARDS COMPETITIVE ADVANTAGE

Table 6.0 shows different degrees of influence of organizational culture and dimensions of competitive advantage. For example, multiple regression analyses showed that all dimensions of organizational culture explain about 51.4% variation upon high performance work practice and the remainder 48.6% explained by other external factors. The findings also showed there were five dimensions of organizational culture with positive coefficient ($\beta$, beta); organizational culture with product improvement orientation ($\beta=0.204$), organizational culture with customer need orientation ($\beta=0.48$), organizational culture with quality of employee orientation ($\beta=0.188$), organizational culture with freedom of task implementation orientation ($\beta=0.091$), and organizational culture with perception towards employee orientation ($\beta=0.331$). However, organizational culture with interdepartmental coordination orientation recorded negative coefficient ($\beta=-0.157$). Among all six dimensions, organizational culture with perception towards employee orientation has the most influential effect towards high performance work practice.

The research findings also explain that all organizational culture dimensions in the regression equation has relation or influence to the overall strategic human resource management approach ($F=31.789$, $p<0.05$). Also, four dimensions of organizational culture; organizational culture with product improvement orientation [$t(1)=2.456$, $p<0.05$], organizational culture with quality of employee orientation [$t(1)=2.235$, $p<0.05$], and organizational culture with perception towards employee orientation [$t(1)=4.624$, $p<0.05$] have positive significance towards high performance work practice. One dimension of organizational culture that is interdepartmental coordination orientation [$t(1)=-2.717$, $p<0.05$] has a negative significance influence on the high performance work practice.

Table 6.0 Regression analysis of organizational culture towards competitive advantage

| Competitive Advantage | Value | Dimension of Organizational Culture | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Product improvement orientation | Customer need orientation | Quality of employee | Freedom of task execution orientation | Interdepartmental coordination orientation | Perception towards employee orientation | |
| SHRM | Beta | 0.201 | 0.134 | 0.311 | 0.085 | −0.285 | 0.207 | $p<0.05**$ $r^2=0.636$ $F=52.388$ $Sig.\ F=0.000$ |
| | t | 2.789 | 1.834 | 4.267 | 1.441 | −5.699 | 3.343 | |
| | Sig. | 0.006** | 0.068 | 0.000** | 0.151 | 0.000** | 0.001** | |
| High Performance Work Practice | Beta | 0.204 | 0.48 | 0.188 | 0.091 | −0.157 | 0.331 | $p<0.05**$ $r^2=0.514$ $F=31.789$ $Sig.\ F=0.000$ |
| | t | 2.456 | 0.575 | 2.235 | 1.345 | −2.717 | 4.624 | |
| | Sig. | 0.015** | 0.566 | 0.027** | 0.180 | 0.007** | 0.000** | |
| High Commitment Work Practice | Beta | 0.200 | -0.005 | 0.383 | -0.004 | −0.348 | 0.126 | $p<0.05**$ $r^2=0.441$ $F=23.642$ $Sig.\ F=0.000$ |
| | t | 2.244 | -0.059 | 4.244 | -0.054 | −5.620 | 1.643 | |
| | Sig. | 0.026** | 0.953 | 0.000** | 0.957 | 0.000** | 0.102 | |
| High Involvement Work Practice | Beta | 0.271 | 0.195 | 0.313 | 0.150 | −0.043 | -0.043 | $p<0.05**$ $r^2=0.533$ $F=38.689$ $Sig.\ F=0.000$ |
| | t | 3.440 | 2.439 | 3.917 | 2.332 | −0.786 | -0.631 | |
| | Sig. | 0.001** | 0.016** | 0.000** | 0.21** | 0.433 | 0.529 | |
| High Reward Work Practice | Beta | -0.207 | 0.321 | -0.010 | 0.028 | −0.486 | 0.318 | $p<0.05**$ $r^2=0.375$ $F=17.979$ $Sig.\ F=0.000$ |
| | t | -2.189 | 3.359 | -0.101 | 0.365 | -7.425 | 3.918 | |
| | Sig. | 0.030** | 0.001** | 0.919 | 0.716 | 0.000** | 0.000** | |

## 8.0    DISCUSSION

This study confirmed that there is a relationship between internal perception of organizational culture and competitive advantage as measured by strategic human resource management approaches. The results showed that out of 36 possible pairs;  that is relationships between dimensions of organizational culture and dimensions of competitive advantage, 30 pairs recorded significance positive relationship with p<0.05. The findings also illustrated strongest pattern exists in the competitive advantage dimensions (high involvement, high commitment, and high performance work practice) with organizational culture. The regressions analyses found that high involvement works practice has the strongest influence towards organizational culture ($r^2$=0.533), and high rewards work practices is the weak influence to the organizational culture ($r^2$=0.375). These findings are aligned with the previous studies by Corbett and Rastrick (2000), Silverthorne (2004), Den Hartog and Verburg (2004), Flamholts and Kannan-Narasimhan (2005), Baird, Harrison and Reeve (2007), and Md. Zabid, Murali and Juliana (2003). Inevitably, this study has two limitations. First, the study was 100% depending on perception of the respondents when they answer the questionnaire. Secondly, all the respondents (187) responded the questions asked according to their fairly extensive industry experience to evaluate the organizational culture and the competitive advantage. On the other hand, the strength of this study depended on the knowledge of job scope, position, tenure of service, and level of education of the respondents. While this study has examined internal perception of organizational culture, perhaps future research can use external evaluation of organizational culture as the studied variable.

## 9.0    CONCLUSION

The research findings suggest that different organizational culture has different relationship and influence towards organizational strategic human resource management approach. An important conclusion is an organization should evaluate type of organizational culture being practiced by all level of workers in the organization for the existing culture can suit the selected strategic human resource management approach. This is because the organizational culture that is acceptable and appreciated by all workers would lead to dynamic human resource management which gives advantage to the organization as a whole (Schneirder, 1998 and Asma Abdullah, 2007).

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