

“Establishing a human resource management function based on organisational culture”

AUTHORS	G.A. Maxwell L. Findlay M.E. McLean
ARTICLE INFO	G.A. Maxwell, L. Findlay and M.E. McLean (2010). Establishing a human resource management function based on organisational culture. <i>Problems and Perspectives in Management</i> , 8(3-1)
RELEASED ON	Wednesday, 14 July 2010
JOURNAL	"Problems and Perspectives in Management"
FOUNDER	LLC "Consulting Publishing Company "Business Perspectives"



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

© The author(s) 2025. This publication is an open access article.

G.A. Maxwell (Great Britain), L. Findlay (Great Britain), M.E. McLean (Great Britain)

Establishing a human resource management function based on organisational culture

Abstract

This article investigates the potential for establishing a human resource management (HRM) function on the platform of existing organisational culture, in particular in knowledge-intensive businesses. The literature review indicates that there is business potential in this approach to establishment of an HRM function. Exploratory primary work in a case study company also suggests that there is significant potential for establishing an HRM function based on organisational culture in a business when the organisational culture is strong and cohesive. In addition, the case study offers insight into what form a positive organisational culture basis may take in a successful knowledge-intensive, smaller business. Here a combined set of essential beliefs, values and behavioural norms comprise the organisational culture which is called human capital culture. These beliefs, values and norms centre respectively on business focus, management style, and individual actions. Collectively, they denote how people do their jobs together for effective company performance.

Keywords: human resource management, organisational culture, human capital, case study.

JEL Classification: M1, M12.

Introduction

Human resource management (HRM) is nowadays the widely used, general term for the management of employees in organisations. Academic literature on human resource management mainly positions this specialist management function with business strategy (Boxall and Purcell, 2008; Maxwell and Farquharson, 2008). In this organisational positioning, HR strategies, policies and best practices are typically drawn from, and informed by, business strategy as a primary reference point. However, considerable evidence indicates that in this model there is often a separation of HR policy from HR practice (Boxall and Purcell, 2000). Such evidence calls into question the business strategy focus for constructing HRM as a specialist management function. Moreover, it has been argued that the current knowledge era has critical implications for HRM roles in building competitive organisational capabilities (Lengnick-Hall and Lengnick-Hall, 2002).

Thus there is a scope, and arguably a need, for the development of alternative approaches to establishing and developing HRM in organisations. Just as HRM practices and approaches vary across organisations (Melian-Gonzalez and Verano-Tacoronte, 2006), ways of constructing an HRM function in organisations can vary as well. Reinforcing this assertion is Lepak and Snell's (2002) study of 148 businesses which finds that HRM configurations relate to types of employment. In other words, the way in which businesses organise the HRM function as a department and across the business is related to the industrial type of employment. One notable type of employment in Lepak and Snell's (2002) study is knowledge-based. In knowledge-based employment, the term human capital is used to describe the employees.

This article focuses on adoption of one particular alternative approach to constructing the HRM function in organisations which has received relatively little research attention to date, namely: establishing a specialist HRM function based on existing organisational culture in organisations. The premiss of this approach is that 'an organisational culture is...not something an organization *has*; a culture is something an organization *is* [authors' italics]' (Pacanowsky and O'Donnell-Trujillo, 1983, p. 126). Organisational culture is then the very essence of an organisation. An organisational culture approach to setting up an HRM function does have some theoretical background (e.g., Alvesson and Kärreman, 2007; Kelly, 2007; Purcell et al., 2004). A recent illustration of organisational culture being a key part of re-establishing an HRM function in practice is reported by Churchard (2010). Consequently, it is contended in this article that there is significant untapped potential for establishing an HRM function, then developing HRM where policies and practices align not only with each other but also with the business needs, based on organisational culture.

The aim of the article is therefore to investigate, theoretically and empirically, the potential for establishing an HRM function through organisational culture, focusing on knowledge-intensive businesses. In turn, the article considers theoretical perspectives of human capital in knowledge-based businesses and organisational culture. Next, it outlines empirical work which comprises a case study of a knowledge-intensive small business, prior to discussion of the empirical findings on organisational culture within a case company. Lastly, a main though necessarily tentative conclusion is reached on the potential for establishing an HRM function – or department – through organisational culture in knowledge-intensive businesses.

1. Human capital in knowledge-intensive businesses

Human capital (HC) is a recently emergent term in HRM literature. It refers to the knowledge, skills and experiences of employees (Kaufman and Geroy, 2007) and has become a recognised terms for the value of employees and, sometimes, for employees generally. Linked to Boxall's (1996) resource-based view of the firm, human capital is 'the added value people provide for organisations...an intangible asset' (Baron and Armstrong, 2007, p. 5). More, HC is 'an especially important source of competitive advantage' (Guthrie et al., 2009, p. 112). Relevant in private and public organisations alike (Benowitz, 2008), HC is arguably especially relevant in knowledge-intensive businesses because employees are often very highly qualified so represent high intellectual capital value. Baron and Armstrong (*ibid*, p. 27) expand on this assertion in their points on how people may be managed effectively in this context:

'...in an increasingly knowledge-intensive environment, the key to good management lies in understanding the levers that can be manipulated to change employee behaviour and develop commitment and engagement. This, in turn, encourages individuals to deliver discretionary behaviour or willingly share their knowledge and skills to achieve organisational goals.'

Hayton (2003) finds in his investigation of 99 smaller businesses that discretionary behaviour and knowledge sharing in high-technology industries connect to entrepreneurial performance. In addition, Selvarajan et al. (2007) posit that there is a relationship between HC philosophy and innovativeness and performance in firms. Thus, managing HC effectively can deliver effective organisational performance. However, the effective management of people in knowledge-intensive businesses does not necessarily mean the same as universal HRM, especially in smaller businesses. Woods and Joyce (2003, p. 181) support this point in noting, with reference to strategic management practice, that 'the typical owner-managers of small businesses, especially entrepreneurial ones, manage in quite a different way from the methods indicated by strategic planning literature.' While the concept of HC is gaining currency, so too is recognition of the 'distinctive organisational and market characteristics which challenge traditional ways of managing' in knowledge-intensive businesses (Swart et al., 2003: pix). The case studies of Swart et al. (*ibid*) for the Chartered Institute of Personnel and Development (CIPD), the UK national professional body for human resource practitioners, finds that 'HRM practices are especially important in these organisations because

they rely completely on various forms of knowledge held by their employees to compete successfully.'

Consequently, the knowledge held by highly qualified knowledge workers is crucial to business success as what Kelly (2007, p. 125) calls a 'power resource'. How HC is managed in order to harness the collective power resource knowledge is therefore business critical. It is critical to ensure appropriate support and enhancement of knowledge development and dissemination (Swart et al., 2003) which in turn leads to the all-important competitive advantage (Lawler, 2009). One of the three aspects of the management of human capital that is identified in summary by the CIPD research (*ibid*: ix) is 'developing forms of social capital to facilitate the sharing of knowledge within the organisation'. The importance of knowledge and idea sharing is also emphasised by Merritt, in an American context, for business benefits. Inherent in this, according to Kelly (2007), is engendering trust within the employment relationships between, and among, managers and employees. Social capital as an extension of intellectual capital revolving around shared, intangible values raises the significance of organisational culture in managing employees.

2. The nature and impact of organisational culture

The concept of organisational – or corporate – culture is variously described and defies a universal definition. Yet, as Brown (1998) points out, defining some parameters of definition is important due to the consequences of understanding a given phenomenon for expectations and experiences of it. In other words, definitional understanding shapes employees' expectations and colours their interpretations of their experiences. A definition of organisational culture can then be seen as an organisational lens through which the way 'an organisation is' (Pacanowsky and O'Donnell-Trujillo, 1983, p. 123) can be identified. Helpfully, Brown (1998, p. 7) offers a range of influential definitions including the following:

'The culture of an organisation refers to the unique configuration of norms, values, beliefs, ways of behaving and so on that characterise the manner in which groups and individuals combine to get things done' (Eldridge and Crombie, 1974, p. 89); and

A set of understandings or *meanings shared* by a group of people. The meanings are largely *tacit* among members, are clearly *relevant* to the particular group, and are *distinctive* to the group' (Louis, 1980, p. 169).

Reflecting and extending both of these definitions, Zsoke (2007, p. 111) defines organisational culture

contemporarily as ‘the system of assumptions, values, convictions and beliefs accepted and commonly interpreted by members of the organisation.’ Further, drawing on Schein’s (1985) authoritative work on organisational culture, Zsoka (*ibid*) asserts, as levelled above, that this system has validity among organisational members ‘as desired ways of thinking and behaving’. This researcher finds, furthermore, that organisational culture can absorb environmental values just as Brown (1998) contends it can absorb elements of national culture. In the specific context of smaller businesses, Murillo and Lozano (2006) similarly discover that internal organisational culture is related to external environmental and national factors. They connect organisational culture in smaller businesses to ‘social functioning’ (*ibid*, p. 227), the inter-relationships between employees and groups of employees.

Hence organisational culture, the essence of individual organisations, is filtered through factors such as external environmental awareness and national culture that people bring with them into their workplace. It is especially significant and business critical in knowledge-intensive businesses which have particular collective and interactive needs of their human capital. Milne (2007) makes the point that an organisational culture which supports knowledge sharing is an absolute necessity in knowledge-based organisations in particular, in order that the total human capital may increase. On this basis, organisational culture hereafter in this paper is referred to as human capital (HC) culture. Moreover, informed by the discussion to this juncture in the article, HC culture is taken as meaning *the set of essential and accepted beliefs, values and behavioural norms that denote how people do their jobs together in knowledge-based organisations*. Beliefs, values and behavioural norms are connected (Brown, 1998), even fused. Beliefs can be taken as what people hold as their fundamental, elemental truths in an organisation. They can underpin values which concern intangible characteristics in organisations that are held up as important. In sequence, behavioural norms are informed by beliefs and values in the acceptable and accepted, informal actions and patterns of actions among people in the organisation.

HC culture is so potent that Berry (2004, p. 71) emphasises that it ‘drives employee actions, including behaviours regarding health, safety and environmental practice’. HC culture can also do the following: ‘boost employee motivation’ (Melewar et al., 2005, p. 59); have an effect on employees’ creativity and innovation in smaller businesses (Hyland and Beckett, 2005; Kenny and Reedy, 2006); enhance sales performance (Farrell, 2005); and build organ-

isational ‘solidarity’ (Doherty, 2006, p. 860). From a business performance point of view, the multiple case study work of Purcell et al. (2004: *viii*) asserts that ‘successful companies ..have strong values which express beliefs and norms about what is important and about appropriate, valued behaviours’. This assertion mirrors Cameron and Quinn’s (2006) contention that HC culture including important values is integral to business success. Where the values are shared broadly, the HC culture itself is strong and, continue Purcell et al. (*ibid*), ‘strong shared-culture companies tend to have better performance, seen in levels of organisational commitment, quit rates, customer satisfaction and appropriate financial measures.’ Strong HC cultures can be cohesive across the given organisation and act to limit the forces of currents of counter-cultures and sub-cultures. In a similar vein to Purcell et al. (*ibid*), Hassan’s (2007) cross company survey suggests a positive relationship between organisational values and human resource development practices. In addition, in manufacturing, Bititci et al. (2006) find correlations between HC culture, management styles and performance measurement. Also, strong HC culture can contribute to an external corporate identity that supports recruitment and retention (Melewar et al., 2005). Lastly, de Chernatony and Cottam (2006, p. 611) signal ‘a synergy between brand [identity] and organisational culture.’

All of these findings theoretically support the argument of the paper as signalled in the introduction, namely that an organisation’s HC culture has significant potential as the platform for development of a specialist HRM function. Given the often informal manner of managing knowledge in smaller businesses (Hutchinson and Quintas, 2008), it is possible that this potential is heightened in knowledge-intensive smaller businesses. Interestingly, three of sources cited above (Hyland and Beckett, 2005; Kenny and Reedy, 2006; Murillo and Lozano, 2006) highlight the centrality of leadership in HC culture. For instance, the second pair of these authors asserts that ‘in SMEs the owner/entrepreneur has a larger direct influence on employees, as compared to managers of large organisations ...leaders in small firms can successfully instil an ‘entrepreneurial dynamism’ in the behaviour of others in their organisation’ (Kenny and Reedy, 2006, p. 136).

Following on from the above sections on theoretical perspectives, the main line of primary inquiry in the article is to investigate further the potential for developing a specialist HRM function from HC culture. This is done by a case study of a knowledge-intensive business. Case studies are an established means of primary research in HC research (Ordenez

de Pablos, 2004). The case study explored in this article is a UK-based knowledge-intensive business, as the next section describes.

3. Research design

'The case study approach has been shown to be a worthwhile method' for research in small businesses (Perren and Ram, 2004, p. 94). The case here was instrumentally selected (Stake, 1995) as an intersection between establishing an HRM function, existing HC culture and a knowledge-intensive business. The case study business produces software relating to global climate change for the building industry. It was set up in 1994 by the founding and managing director. Profitable since 2003, the business is now rapidly expanding and has locations in the UK, Eire, America and Australia. Until recently, as in many smaller businesses, HRM was not a dedicated function in the business (Gray and Mabey, 2005). At the time of starting the primary work, the case study business was actively seeking to establish a company-wide HRM function. As a first step in this establishment, the business formally appointed a specialist, full time HR professional in the head office for the first time. In the on-going expansion of the business and establishment of the HR function, the founding and managing director is very clear that he wants to retain the company's distinctive HC culture. He coined the phrase 'one team, infinite solutions' to describe his opinion of the business' culture. This phrase has become well known and often repeated throughout the business, while the term HC has entered also the company vocabulary. Therefore, 'One Team, Infinite Solutions' is the name given to the case study in this article so it retains its business anonymity.

At the initial stage of an investigation, primary data was gathered via semi-structured, elite interviews with a geographical and occupational cross-sectional sample of 16 of the 68 people in the company. The non-probability sample was stratified in that the interviewees were selected by job grouping in order to ensure representation of each of the job grouping in the business. The first interview was treated as the pilot. The interviews were conducted mostly face-to-face with a few done by telephone due to geographical distance. Each interview lasted up an hour. A series of open-ended questions were asked around the themes of opinions on the company's business objectives, the nature of the company culture and ethos, and the interviewees' opinions/feelings on working for the company. Content analysis of the findings identified the nature of widely-held beliefs, values and behavioural norms in the case company. Next, a company-wide e-questionnaire was developed, informed by analysis

of the interview data, to assess the HC culture in 'One Team, Infinite Solutions' in terms of its emerging beliefs, values and behavioural norms. Questionnaires are a long established and common way of assessing employees' attitudes, perceptions and opinions (Rogelberg et al., 2000) which are all important in HC culture.

As with the interviews, the questionnaire was piloted. Other questionnaire conventions, as noted by Lusty (2007) for one, were also observed. This was done not only for the validity and reliability of the questionnaire but also because employee consultation by survey can 'improve staff morale and benefit business' and in itself contribute positively to HC culture (Orpen, 1997, p. 20) and the strategic objectives of businesses (Schneider et al., 1996). A five point Likert rating scale was used for respondents to record their views on 59 statements, some reverse coded, mostly on a scale from strongly agree to strongly disagree (Donkin, 2005; Lawler, 2009). The questionnaire was emailed to all employees in the 'One Team, Infinite Solutions' as a census of the HC culture. Sixty one employees completed the survey (90% of all employees), all anonymously and on-line. A researcher external to the company collated the responses and produced some descriptive statistics, including chi-square tests for significance ($p < 0.05$) by gender, age and job category, using the statistical package for the social sciences (SPSS). The responses are reported below by mean per item (where strongly disagree = 1, disagree = 2, neither disagree nor agree = 3, agree = 4 and strongly agree = 5) and usually by majority of responses across strongly disagree/disagree and strongly agree/agree.

Reports were produced for the company managers and employees on completion of the interview and questionnaire stages of the empirical work. This is in keeping with Lawler's (2009) advocacy on corporate board members having sufficient information to make decisions on HC and organisational effectiveness issues. The findings are presented below across the beliefs, values and behavioural norms that in concert make up the HC culture in 'One Team, Infinite Solutions'. In each of these headings the interview and questionnaire findings are discussed, with direct but unattributed interview quotations and comments as appropriate so as to illustrate the findings. The chi-square analysis revealed significant differences only by job category; these are outlined where relevant in the findings also. Due to the intrinsically phenomenological nature of the primary work, exploring individuals' opinions, the findings are presented in a textual format.

While the dual methods of data capture and response rates provide reasonably strong empirical

evidence of the current HC culture in the case study organisation, it is acknowledged that their generalizability in the case context does not necessarily mean wholesale generalizability for other organisations, even those with similar characteristics. As a unit of analysis, the 'One Team, Infinite Solutions' case should be considered as exploratory. Nonetheless, useful learning points may emanate from the case study for similar organisations to reflect on if they are establishing a specialised HRM function.

4. Case study findings

4.1. Beliefs. Two principal beliefs emerge as important truths for most of the respondents, nodding to the points of Murilla and Lozano (2006) on organisational culture. The first belief centres on the very *raison d'être* of the business: more than half of the respondents stressed the impact of their work on the design of sustainable buildings which gives them a strong sense that they "are doing the right thing and this feels good". Reinforcing this strength is the fact that five of the interviewees who have experienced lean business times with the company stayed with it due to this core belief. As one explained to illustrate the belief, "no-one jumped ship because we could all see the company's potential" while another emphasised, succinctly, that she "believed in the product". The very reason of the business existing is a strong belief in Schein (1985) and Zsoke's (2007) terms. From the comments surrounding this, the following core belief emerged for 'One Team, Infinite Solutions' as follows: *by assisting in the design of sustainable buildings, the company can make a scalable difference to the world we live in*. The mean from the questionnaire responses on this belief is 3.79, indicating a high level of agreement. Seventy five per cent of respondents either strongly agreed or agreed with this statement.

The second belief emanates from the first, revolving as it does around providing innovation in all company products and services. Ten interview informants described company ambitions to enter new global markets and raise awareness of the company's products and services. In this, it is believed among the respondents that there is a key challenge for 'One Team, Infinite Solutions' company to change the mindsets, especially in the USA, of people in the building industry. This was expressed in a variety of ways. For instance, one respondent talked of "explaining the value proposition in different ways" to differing professional client groups, whereas another used the theme of his job being about "paving the way for potentially pervasive technology". Hence the second belief can be framed: *we provide innovative solutions through our products and services*. The means across the four questionnaire items on this belief range from 3.96 to 4.19 and are 4.05 overall. The percentage of

strongly agree/agree responses in the items here are all in the 80% decile, ranging from 80% (for 'the company encourages innovative thinking') to 88% (for 'I strongly believe in the company's products and services'). This strongly suggests a high level of support for this company belief.

The third belief, in turn, stems from the second in that innovation is enabled collectively through the company's HC which is the most valuable asset. Components of this, for example, include "sharing many of the values of the company" and "feeling valued by senior management". It seems mutuality is central to this where the company values its employees and the employees value the company. From this emerged the following belief: *our strength lies in our unique collective ability and human capital is the company's most valuable asset*. Again this is validated by the questionnaire responses, with the means across responses ranging from 3.68 to 4.00, and being 3.71 overall. In the seven questions on this belief, the strongly agree/ agree responses vary from a minimum of 66% (for 'the company operates on strong values and ethics') to a maximum of 94% (for 'I am proud to tell others that I work for the company'). Seventy one percent 'feel valued by senior management' (across strongly agree/agree responses). That employees generally feel valued may also be reflected in the findings that in an open question on what is best about working for the company, the friendliness and helpfulness of staff is the most frequently reported feature (by 28 respondents), indicating a positive culture. Further, 97% of respondents strongly agree/agree with the statement of being satisfied with relations with fellow workers.

4.2. Values. Four values then, in turn, spring from these beliefs. A couple of these relate directly to the company's HC and a couple to knowledge sharing. As noted earlier both HC and knowledge-sharing are elemental to knowledge-intensive businesses (Kelly, 2007; Swart et al., 2003). In terms of company HC, it is widely recognised that the workforce is highly intelligent and highly qualified with a large proportion of employees holding Ph.D.s, "a bunch of geniuses" in the words of a client cited by a respondent. The rationale for this exceptionally high level of HC is, as frankly stated by a director level informant, that "the quality of our people is our strength". Some ten interviewee employees were explicit about being given authority and responsibility in their roles, feeling that they can always ask for support should they need it. "We are treated like adults, it's not like someone is watching over you all the time" is how a team leader respondent expressed it. Feeling valued and "not simply a cog in a machine" is how another respondent phrased it for a

second example of the emergent value of: *people are trusted to get the job done*. This value is generally held throughout the company as a mean of 4.45 on a statement on 'being trusted to get on with your work' underlines. The mean here is the highest from the survey. However, one notably lower mean in the seven items comprising this value in the questionnaire stands out: only 20% of respondents strongly agree/agree that 'in my team, people are held accountable for low performance'. This signals a need for team leaders in 'One Team, Infinite Solutions' to confront poor performance and to be seen to do this.

Even although the HC level at entry to the company is very high, HC is developed within the company. For notable example, all of the directors have developed into these roles from others in the company. There was interview feedback on the benefits of people developing into promoted and senior roles, such as a respondent stressing how much time it takes to get to know the business, a challenge faced by new employees above all. As further illustrations, it was commented that "no-one comes in and leads, they have to prove themselves first" and another informant reported the importance of developing the management capabilities of team leaders in readiness to have responsibility for much larger teams that rapid expansion may bring. Consequently, the value that *HC is developed in the company* is formed. The questionnaire responses, however, signal that respondents opine more could be done on this value, with 65% stating that their line manager always/usually 'encourages my development' and 46% that their line manager always/usually 'gives me regular feedback on how I am performing'. The former is the result on the item about team leaders encouraging individual. Thus it appears that there is a little dissonance between company and self-stimulated development. Possibly, this implies a need for 'One Team, Infinite Solutions' to more actively promote HC development, not least because the item of personal belief in making a valuable contribution to company success yielded a mean of 4.57. Kaufman and Geroy (2007) comment on the need for businesses to upskill their HC. The chi-square p-values indicate that it is team members who tend to feel under-developed. For in a third of the question items on this value there are significant differences at this level: 0.015 for 'someone at work encouraging my development', 0.023 for 'the company promotes from within, whenever possible' and 0.004 for 'good amount of training personally received'.

As to the knowledge sharing values, the value that *communication is transparent and open* clearly arose from the interview series. In general, it is evident that

employees in 'One Team, Infinite Solutions' have a very good level of awareness of the company's objectives, with respondents demonstrating their knowledge of the objectives and company vision and, further, opining that they feel communication is good in the main. This stems from the founding and managing director's personal belief that people are better equipped to make decisions if they have a good understanding of the company's objectives, reflecting the centrality of leadership in smaller businesses and in HC culture (Hyland and Beckett, 2005; Kenny and Reedy, 2006; Murillo and Lozano, 2006). Friendly and informal interaction between all employees, regular team leader feedback to team members, annual company wide communication events, and a monthly internal communication magazine all contribute to the transparency and openness of communication in the company. The most frequently used descriptors of company communication offered by the interviewees were "open" and "transparent", backed up by statements of "I know what is going on." For ten respondents this is particularly important and for seven who acknowledge that the company doing well makes them feel positive about its success (Doherty, 2006; Melewar et al., 2005). The collated questionnaire responses substantiate that the company directors and senior managers communicate a clear vision of its future (mean of 3.72; with 69% strongly agreeing/agreeing) and people are well-informed about what is happening in the company (mean of 3.46; with 64% strongly agreeing/agreeing). With means of 2.18 or less (to 1.43) though, are the responses on communication media such as the company intranet and email, semaphoring that this are not considered effective media of communication.

Concomitant to transparent and open communication, is the value that *employees are actively involved in company activities and have a voice*. This value is based on the finding, for example, that eleven interviewees volunteered that they have frequent opportunities to express their views and feel that these are listened to. Additional indicators of ingrained involvement lie in a director involving his staff in recruitment as he "values their opinions" and another involving his in software development as "it doesn't make sense for just one person to be involved, it is more useful to consider the perspective of a number of different people." Two questionnaire items underline the value of involvement: firstly, on 'my opinion seems to count at work' (mean of 3.61; with 74% strongly agreeing/agreeing) and, secondly, on 'having opportunities to feed your views/issues/ideas upwards' (mean of 3.59; with 67% strongly agreeing/agreeing). At the same time, three items have lower means (2.32 to 2.46) for employ-

ees' views being sought and used, and for 'allowing employees to influence final decisions'. Therefore something of a mixed picture emerges on communication, signposting another area where there is some scope for improvement.

4.3. Behaviours. Moving to HC cultural behaviours that may be driven by HC culture (Berry, 2004), it is evident from the interviews that four are key, namely *teamwork*, *commitment*, *adaptability* and *treating colleagues and customers the way we want to be treated*. Teamwork arose, in several ways, as the primary HC cultural behaviour. It was the most frequently cited aspects of work in 'One Team, Infinite Solutions,' expressed by 12 of the interviewees as being the key to the company's success. The features of teamwork were described in terms such as "open to helping each other", "being good at sharing expertise", and "being approachable". Also, seven interview respondents commented on how well they get on with their colleagues, many of whom they consider as friends – reference to the atmosphere of friendliness and informality surrounding work was often made. Overall, the workforce was seen by one director informant as a "well hung together group" and noted by several directors as being "a committed bunch". Many examples were offered of teams pulling together (Doherty, 2006) to help and support each other in order to achieve particular tasks such as rectifying mistakes. Much support is given to new employees. Teams can function within and across departments, countries and media; individual development projects have their own structure and project manager which does not necessarily match the company hierarchy. The main foundation of this behaviour appears to be widespread recognition that operating in a highly technical field necessitates utilising the expertise of colleagues (Barron and Armstrong, 2007). In this context, usage of the phrase 'One Team, Infinite Solutions' in the company comes as little surprise. In the same vein, that the 'good relations with your fellow workers' statement offered up the second highest mean (at 4.39), as noted earlier, in the questionnaire findings comes as little surprise. All of the other four teamwork statements have relatively high means, reinforcing the finding on effective teamwork. For example, 92% strongly agree/agree with the statement 'I try to help others in this organisation whenever I can' and 88% with the statement that 'people in my team cooperate with each other to get the job done'.

Another common understanding, this time initially made explicit by the manager and director interview respondents, is that people work are committed in that they work very hard and readily assume responsibility. In keeping with the *commitment* behaviour,

a "positive work ethic" was identified, stemming from the founding and managing director's declared ambition for the company (Hyland and Beckett, 2005; Kenny and Reedy, 2006; Murillo and Lozano, 2006). This leads, apparently, to practices of continuous improvement through, for example, being conscientious and self-critical together with having high standards. In the six questionnaire items on commitment, revolving around working hard, assuming responsibility, and having high standards, the means are the highest; five of the six are above 4.00. Illustrating this is the findings that 89% (strongly agree/agree) 'really put my heart into my job'.

The third behaviour of *adaptability* to change and being flexible at work is linked to teamwork and commitment alike. The root of the adaptability HC cultural behaviour lies in the recent rapid expansion of the company involving constant change to structures and processes, according to the interviewees. Five interviewees emphasised the importance of employees being flexible and open to change which is apparently the position: teams are not "set in their ways" but will change their approach as required to meet the needs of clients. Underlining this is the questionnaire data on the majority of respondents (61%) not 'feeling over-whelmed by the pace of change' and being 'willing to be flexible'. Again arguably as an extension of teamwork and adaptability, the fourth behaviour appears pervasive in both the interview and questionnaire findings. For example, there is a mean of 3.93 – 76% across strongly agree/ agree – for the statement that 'the company always treats their colleagues and customers the way they should be treated'.

What the 'One Team, Infinite Solutions' findings amount to in sum is a generally strong and cohesive organisational culture that supports knowledge sharing (Hayton, 2003) together with its development and dissemination (Swart et al., 2003) as the bed-rock of competitive advantage (Lawler, 2009). The comments forwarded by questionnaire respondents in the last question inviting any further comments about working in the company underscore that the pervasive HC culture is positive. Half of the comments emphasise this, while the other comments concern a variety of local points such as office moves and tea breaks. Examples of round-off comments include:

"Trusting and mature relationship with staff, reciprocated with staff";

"Thoroughly enjoy working here. Good mix of staff making a great working environment. Everyone is seen as an equal";

“Overall the most rewarding job I’ve had”; and

“On the whole this is one of the best organisations I have worked for. We are fairly managed and run. As the company grows it is very important all staff realise they are working together with the same aims. I would trust the management ensures this happens.”

Conclusions

The HC culture in ‘One Team, Infinite Solution’ has been revealed to be made up of a set of essential and accepted beliefs, values and behavioural norms that denote how people do their jobs together in this successful knowledge-based organisation. This corresponds with the HC culture definition adopted in this article, together with much of the reviewed literature on the benefits and outcomes of a positive organisational culture (Berry, 2004; Doherty, 2006; Purcell et al., 2004). Respectively, these beliefs, values and behavioural norms centre on business focus, management style, and individual actions. They are cumulative, inter-related and mutually reinforcing. Moreover, it appears that the HC culture is dominant and generally cohesive, the infrastructural essence of ‘One Team, Infinite Solutions’ itself, to the point of ‘being what the company is’ in Pacanowsky and O’Donnell-Trujillo’s expression (1983, p. 126). At the same time, a few areas for improvement have been highlighted. Improvements could be made in the values of: trust in the job being done as regards accountability for low performance; developing HC so team members feel their development is actively encouraged; open communication in terms of the effectiveness of some media; and in ensuring employees opine their voice is being heard.

Overall, the case study findings reflect the thrust of the theory across the nature of HC in knowledge-intensive businesses in conjunction with the nature and impact of organisational culture. In addition, they lend further support to the argument of the article that a specialist, and dedicated, HRM function can be established from the anchor of a strong HC culture or organisational culture. Indeed, a reasonable implication may be that where the HC culture in a knowledge-intensive business is so pivotal to its success, a newly formed HRM function actually should be derived from that culture. Without being overly prescriptive or assuming generalizabil-

ity from the single case study, this inference has merit. Further, the HC cultural components in the case study organisation may inform the strategic and operational development of the HRM function (Donkin, 2005; Lawler, 2009; Nathanson, 2005) in ‘One Team, Infinite Solutions’ beyond simply establishing the function. The direction the HC cultural components point to is along the lines of a super talent management approach. This may encompass, for example: recruitment and reward management; development and involvement; communication and commitment. Within the development of a talent management HR strategy and aligned practices, in order to enhance the strong HC culture, it would be important for ‘One Team, Infinite Solutions’ to address the identified areas for improvement. In this way, the HRM function would be established in a bespoke form for the company (Lepak and Snell, 2002; Melian-Gonzalez and Verano-Tacoronte, 2006).

The corollary and key conclusion of this exploratory investigation is that, conceptually and evidently, there is significant potential for establishing and developing an HRM function on the platform of a strong and positive HC culture. This is so at least in the case organisation and possibly in other expanding, similar businesses. This main conclusion is, however, put forward more tentatively than conclusively, given the single case study basis. While wholesale generalisations from the case organisation to other similar organisations cannot be claimed, an evidential base is nonetheless provided to support the argument of the article. Additionally, scrutiny of HC culture in this case offers indications of what form a successful HC culture in knowledge-intensive businesses may take, using both the model and nature of the beliefs, values and behaviours. A subsequent stage of the authors’ research is to conduct a second comprehensive HC cultural audit in the case organisation, one year after the first. The purpose is to assess the pervasive HC culture and review opinions on the impact of the HC strategy, policies and practices implemented on the basis of the first HC survey. Widening the study, using the same research design, to other knowledge-intensive small businesses would also be an instructive research direction.

Acknowledgements

The authors extend their thanks to Susan Falconer and Dr Don McLean; also to Manisha Kumar.

References

1. Alvesson, M. and Kärreman, D. (2007) ‘Unravelling HRM: Identity, Ceremony, and Control in a Management Consulting Firm’, *Organization Science* 18(4): 711-726.
2. Baron, A. & Armstrong, M. (2007), *Human Capital Management: Achieving Added Value Through People*. London: Kogan Page.

3. Benowitz, S. (2008), 'Human Capital – The Most Critical Asset,' *Public Manager*, 37(1): 29-33.
4. Berry, G.R. (2004), 'Environmental Management: The Selling of Corporate Culture', *The Journal of Corporate Citizenship* 16: 71-84.
5. Bititci, U.S., Mendibil, K., Nudurupati, S., Garengo, P. and Turners, T. (2006), 'Dynamics of performance measurement and organisational culture', *International Journal of Operations and Production Management* 26(12): 1325-1350.
6. Boxall, P. (1996), 'The strategic HRM debate and the resource-based view of the firm', *Human Resource Management Journal* 6(3): 59-75.
7. Boxall, P. and Purcell, J. (2000), 'Strategic human resource management: where have we come from and where should we be going?' *International Journal of Management Reviews* 2 (2): 183-203.
8. Boxall, P. & Purcell, J. (2008), *Strategy and Human Resource Management* (2nd ed.). Basingstoke, Hampshire: Palgrave MacMillan.
9. Brown, A. 1998, *Organisational Culture* (2nd ed.), Financial Times-Prentice Hall: Harlow, Essex.
10. Cameron, K.S. & Quinn, R.E. (2006), *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*, San Francisco, Ca.: Jossey-Bass.
11. Churchill, C. (2010), 'Setting the Pace: HR's turnaround role at a digital technology firm', *People Management*, 8 April, pp. 18-21.
12. De Chernatony, L. & Cottam, S. (2006), 'Internal brand factors driving successful financial services brands', *European journal of Marketing*, vol. 40, No. 5/6, pp. 611-633.
13. Doherty, B. (2006), 'Friends of the Earth International: Negotiating a Transnational identity', *Environmental Politics*, vol. 15, iss.5, start page 860.
14. Donkin R. (2005) 'Human-capital measuring at the Royal Bank of Scotland', *Human Resource Management International Digest*, 13, 7, pp. 22-24.
15. Eldridge, J.E.T. & Crombie A.D. (1974), *A Sociology of Organisations*, London: Allen and Unwin cited in Brown, A. *op cit*.
16. Farrell, M.A. (2005), 'The effect of a market-orientated organizational culture on sales-force behaviour and attitudes', *Journal of Strategic Marketing*, vol. 13, iss. 4, pp. 261-273.
17. Gray, C. & Mabey, C. (2005), 'Management development: key differences between small and large businesses in Europe', *International Small Business Journal*, vol. 23, no. 5, pp. 467-485.
18. Guthrie J.P., Flood P.C., Liu W. and MacCurtain S. (2009), 'High performance work systems in Ireland: human resource and organisational outcomes', *International Journal of Human Resource Management*, vol. 20 iss. 1, start page 112.
19. Hassan, A. (2007), 'Human resource development and organizational values', *Journal of European Industrial Training*, vol. 31, iss.6, pp. 435-448.
20. Hayton J.C. (2003), 'Strategic Human Capital Management in SMEs: An Empirical Study of Entrepreneurial Performance', *Human Resource Management*, 42, 4, pp. 375-391.
21. Hutchinson, S. & Purcell, J. (2003), *Bringing Policies to Life: The vital role of line managers in people management*, London: Chartered Institute of Personnel and Development.
22. Hutchinson V. and Quintas P. (2008), 'Do SMEs do Knowledge Management? Or Simply Manage what they Know?' *International Small Business Journal*, vol. 26 (2), pp. 131-154.
23. Hyland, P. & Beckett, R. (2005), 'Engendering an innovative culture and maintaining operational balance', *Journal of Small Business and Enterprise Development*, vol. 12, no. 3, pp. 336-352.
24. Kaufman N.A. and Geroy G.D. (2007), 'An Energy Model for Viewing Embodied Human Capital Theory', *Performance Improvement Quarterly*, vol. 20 iss. 1, pp. 37-48.
25. Kelly, C. (2007), 'Managing the relationship between knowledge and power in organisations', *Aslib Proceedings*, vol. 59, iss. 2, pp. 125-138.
26. Kenny, B. & Reedy, E. (2006), 'The Impact of Organisational Culture Factors on Innovation Levels in SMEs: An Empirical Investigation', *Irish Journal of Management*, vol. 27, no. 2, pp. 119-142.
27. Lawler E.E. (2009), 'Make Human Capital A Source of Competitive Advantage', *Organizational Dynamics*, vol. 38, iss. 1, pp. 1-7.
28. Lengnick-Hall, M. and Lengnick-Hall C. (2002), *Human Resource Management in the Knowledge Economy: New Challenges, New Roles, New Capabilities*, San Francisco: Berrett-Koehler.
29. Lepak D.P. and Snell S.A. (2002) 'Examining the Human Resource Architecture: The Relationships Among Human Capital, Employment, and Human Resource Configurations', *Journal of Management*, 28 (4), pp. 517-543.
30. Louis, M.R. (1980), 'Organizations as culture-bearing milieux,' in L.R. Poudy et al. (eds.) *Organisational Symbolism*, Greenwich, Conn.: JAI; quoted in M.R. Louis (1985), 'An Investigator's Guide to Workplace Culture,' in P.J. Frost, L.F. Moore, M.R. Louis, C.C. Lundberg & J. Martin (eds.), *Organizational Culture*, Newbury Park, Calif.: Sage, pp. 169-85 as cited in Brown, A. *op cit*.
31. Lusty D. (2007), 'How to avoid the pitfalls of employee satisfaction survey', *Human Resource Management International Digest*, vol. 15. no. 6, pp. 3-6.
32. Maxwell, G. & Farquharson, L. (2008), 'Senior Managers' Perceptions of the Practice of Human Resource Management,' *Employee Relations*, vol. 30, issue 3 (forthcoming – May).

33. Melewar, T.C., Karaosmanoglu, E. and Paterson, D. (2005), 'Corporate identity: concept, components and contribution,' *Journal of General Management*, vol. 31, no. 1, pp. 59-81.
34. Melian-Gonzalez S. and Verano-Tacoronte D. (2006), 'Is there more than one way to manage human resources in companies?' *Personnel Review*, 35, 1, pp. 29-50.
35. Merritt L. (2007) 'Human Capital Management: More than HR with a New Name', *Human Resource Planning*, 30, 2, pp. 14-16.
36. Milne P. (2007), 'Motivation, incentives and organisational culture', *Journal of Knowledge Management*, vol. 11, no. 6, pp. 28-38.
37. Murrillo, D. & Lozana, J.M. (2006), 'SMEs and CSR: An Approach to CSR in their Own Words', *Journal of Business Ethics*, vol. 67, pp. 227-240.
38. Nathanson P. (2005), 'Putting "Strategic" in Human Capital Management, *Public Manager*, 34, 3, pp. 42-48.
39. Schein, E.H. (1985), 'How Culture Forms, Develops and Changes,' in R.H. Kilman, M.J. Saxton, R. Serpa & associates (eds), *Gaining Control of Corporate Culture*, San Francisco, Calif.: Jossey Bass, pp. 17-43 as cited in Brown, A. *op cit*.
40. Ordóñez de Pablos P. (2004), 'Mapping human capital and organisational competitive advantage: a case study of European learning organisations,' *International Journal of Human Resources Development and Management*, vol. 4, iss. 3, start page 256.
41. Orpen C. (1997), 'Employee Surveys: What about the workers?' *The British Journal of Administrative Management*, Nov/ Dec, pp. 20-21.
42. Pancanowsky, M.E. & O'Donnell-Trujillo, N. (1983) 'Measuring and Interpreting Organisational Culture', *Western Journal of Speech Communication*, vol. 46, pp. 115-130.
43. Perren L. and Ram M. (2004), 'Case-Study Method in Small Business and Entrepreneurial Research: Mapping Boundaries and Perspectives,' *International Small Business Journal*, vol. 22 (1), pp. 83-101.
44. Purcell, J., Hutchinson, S., Kinnie, N., Swart, J. & Rayton, B. (2004), *Vision and Values: Organisational culture and values as a source of competitive advantage*, London: CIPD.
45. Rogelberg S.G., Luong A., Sederburg M.E. and Cristol D.S. (2000), 'Employee Attitude Surveys: Examining the Attitudes of Noncompliant Employees', *Journal of Applied Psychology*, vol. 85, no. 2, pp. 284-293.
46. Scheider B., Ashworth S.D., Higgs A.C. and Carr L. (1996), 'Design, Validity, and Use of Strategically Focused Employee Attitude Surveys,' *Personnel Psychology*, 49, 3, pp. 695-705.
47. Selvarajan T.T., Ramamoorthy N., Flood P.C. Guthrie J.P., MacCurtain S. and Liu W. (2007), 'The role of human capital philosophy in promoting firm innovativeness and performance: test of a causal model', *International Journal of Human Resource Management*, 18: 8, pp. 1456-1470.
48. Stake, R.E. (1995), *The Art of Case Study Research*, London: Thousand Oaks.
49. Swart, J., Kinnie, N. & Purcell, J. (2003), *People and Performance in Knowledge-Intensive Firms: Research Report*, CIPD Publications: London.
50. Woods A. and Joyce P. (2003), 'Owner-managers and the Practice of Strategic Management', *International Small Business Journal*, vol. 21, no. 2, pp. 181-195.
51. Zsoke, A.N. (2007), 'The role of organisational culture in the environmental awareness of companies', *Journal for East European Management Studies*, vol. 12, no. 2, pp. 109-131.
52. Gmax/establishingHRMthroughHCculture